

Registration number: 08023322

# Gartree High School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

Haines Watts Leicester LLP  
Chartered Accountants and Senior Statutory Auditor  
Hamilton Office Park  
31 High View Close  
Leicester  
LE4 9LJ

# **Gartree High School**

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# Gartree High School

## Reference and Administrative Details

<b>Members</b>	Mr P Pancholi Mrs D Parmar (Chair) Mr P Storey
<b>Trustees (Directors)</b>	Ms S L Singleton
<b>Governors and Trustees (Directors)</b>	Dr D B Candlin Mr M Chhatrisha (Resigned 12 September 2017) Mr S Thanki Mr P E Bannister Mr P Storey Mrs D Parmar (Chair) Mrs M A Joseph Miss S Hawksworth Rev J Rackley Mr M Chatra (Resigned 7 September 2017) Mrs J Hammonds Prof. J Saker Mr A Peryer (appointed 24 October 2017)
<b>Company Secretary</b>	Mrs E J Delday
<b>Company Registration Number</b>	08023322
<b>Auditors</b>	Haines Watts Leicester LLP Chartered Accountants and Senior Statutory Auditor Hamilton Office Park 31 High View Close Leicester LE4 9LJ
<b>Senior Leadership Team</b>	Ms S L Singleton, Head Teacher Mr P E Bannister, Deputy Head Mr B Rackley, Deputy Head Mr D Allard, Assistant Head Mrs E J Delday, Business Manager Mr E Wilson (appointed 24 August 2018), Assistant Head

## Gartree High School

### Reference and Administrative Details (continued)

**Principal and  
Registered Office**

Ridgeway  
Oadby  
Leicester  
Leicestershire  
LE2 5TQ

**Bankers**

Lloyds Bank Plc  
7 High Street  
Leicester  
Leicestershire  
LE1 9FS

**Solicitors**

Browne Jacobson  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates an Academy for students aged 11-15 (it becomes 11-16 in 2018/19) serving a catchment area of Oadby and the surrounding area. It has 712 on its roll as per the school census of Autumn 2018.

#### **Structure, governance and management**

##### ***Constitution***

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 10 April 2012 and commenced operation as an academy on 1 June 2012.

The Governors act as the Trustees for the charitable activities of Gartree High School and are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

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

Each member of the charitable company undertakes to contribute to the assets of the 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.

##### ***Trustees' indemnities***

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

##### ***Method of recruitment and appointment or election of Trustees***

Any new Trustees will be appointed in accordance with the guidelines set out in the Funding Agreement. Parent Trustees shall be elected by parents of registered pupils at the School. A Parent Trustee must be a parent of a pupil at the Academy at the time when he/she is elected. The Board of Trustees shall make all necessary arrangements for an election of Parent Trustee. The Members of the Academy Trust shall comprise:

- the signatories to the Memorandum;
- 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose;
- the chairman of the Board of Trustees; and
- any additional person agreed unanimously in writing by the Members

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### Trustees

As detailed in the Memorandum and Articles, the Academy Trust should have the following Trustees:

- 2 Staff Trustees
- A maximum of 4 Parent Trustees
- Up to 4 Community Trustees
- The Head Teacher
- In addition we currently co-opt 2 governors to compliment the skill set of our governing body

The Members may appoint up to one Trustee save that no more than one third of the total number of individuals appointed as Trustees shall be employees of the Academy Trust (including the Head Teacher). The Head Teacher shall be treated for all purposes as being an ex officio Trustee. The Parent Trustees shall be elected by parents of registered pupils at the Academy.

#### ***Policies and procedures adopted for the induction and training of Trustees***

There is a commitment by the Board of Trustees to ensure that new Trustees are given the necessary information and support to fulfil their role with confidence. The process is seen as an investment, leading to more effective governance and retention of Trustees. A Trustees Induction Pack is made available for new Trustees which provides a comprehensive guide to the school and its governance.

The "Link Trustee" provides the initial induction, which includes a tour of the school to meet staff and students, establishing any training needs and initiating a link with a member of the Senior Leadership Team who in turn links the Trustee with specific department heads.

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

The pay review committee of the Governing Body reviews and sets the pay and remuneration of all key management personnel in accordance with the Academy's pay policies.

#### ***Organisational structure***

Gartree High School has a simple and unified management structure to ensure efficiency. The structure consists of three levels: the Trustees, the Senior Leadership Team and the Middle Leadership Team. The aim of the management structure is to devolve responsibility, encourage involvement in decision-making at all levels and maximise opportunities for succession planning.

The Trustees fulfil a largely strategic role. They adopt a School Improvement Plan, approve the annual budget, monitor the school's performance and, on advice, make decisions about the strategic direction of Gartree High School its capital expenditure and senior staff appointments.

The SLT consists of the Head Teacher, two Deputy Head Teachers, two Assistant Head Teachers and the Business Manager. These leaders 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 leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, other than those for which the Board of Trustees is responsible (having regard to the Head Teacher's advice).

The middle leadership consists of the Heads of Departments and a Senior Pastoral Leader. As a group, the middle leaders have financial responsibility for their set budgets.

The Head Teacher is the Academy's Accounting Officer and the Business Manager is the Chief Finance Officer.

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### ***Risk management***

As Trustees, we acknowledge we have overall responsibility for the School's system of internal financial control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material mis-statement or loss.

The Board of Trustees has delegated day-to-day responsibility to the Head Teacher, as Accounting Officer, for maintaining a sound system of internal control that supports the achievements of the Academy's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between Gartree High School and the Education and Skills Funding Agency (ESFA). The Head Teacher is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

#### ***Connected organisations, including related party relationships***

The Academy works with a number of partners to share best practice and increase opportunities for students. Locally we work with Learning South Leicestershire (LSL), Leicestershire Secondary Heads (LSH) and 11-16 Excellence Group. Nationally we work with with The Schools, Students and Teacher Network (SSAT) and Partners in eXceLlence (PiXL).

## Gartree High School

### Trustees' Report for the Year Ended 31 August 2018 (continued)

#### Objectives and activities

##### *Objects and aims*

Gartree High School regards education as a lifelong process and aims to provide the highest quality education for all its students regardless of age, ability, gender or ethnic background. It expects high standards of achievement and behaviour in a positive, caring environment in which there exists a mutual respect between students, staff and parents. The Academy regards its staff as its most important resource and is committed to their professional development to achieve its aims.

Aspiring to personal excellence in a supportive community.

At Gartree High School:

- Learning is central to everything we do, so that all pupils can reach their potential
- Everyone in our school is treated with respect and valued
- We work with honesty, trust and integrity
- We nurture self-belief, confidence and aspiration
- We celebrate success

Our aims are underpinned by the core values we hold:

- The uniqueness and potential of each individual
  - Respect for our self and others
  - Individual responsibility and self-discipline
  - Trust, honesty and integrity
  - Commitment, hard work and high aspirations
  - Recognition of success
- 
- To provide a broad and balanced curriculum in an atmosphere conducive to effective learning.
  - To develop teaching and learning styles which enable students to reach their full potential.
  - To provide a disciplined, caring and safe environment where students feel valued.
  - To encourage students to work co-operatively, respecting each other, adults and their environment.
  - To support students in developing the varied skills and attitudes which will equip them for the future, enabling them to make a positive contribution to the community and society.
  - To create an effective partnership with parents, Trustees and the wider community.
  - To establish professional working relationships and to facilitate the professional development of staff to achieve the Academy's aims.
  - To work within a framework of equal opportunities and to encourage an awareness and appreciation of cultural and religious diversity.
  - To provide effective and efficient administration and use of resources.

##### *Objectives, strategies and activities*

The school's objectives are expressed in its mission statement – Aspiring to personal excellence in a supportive community. This is underpinned by the published aims of the school. The main objectives for 2016-17 are expressed within our annual improvement plan.

- Appendix A – School Improvement Plan 2017-18

Gartree High School has unconditional approval to be an 11-16 school from August 2017, having its first Year 10 cohort from August 2017 and first Year 11 cohort from August 2018.

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### ***Public benefit***

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the school's objectives and aims and in planning future activities for the year. The Trustees consider that the school's aims are demonstrably to the public benefit.

## Gartree High School

### Trustees' Report for the Year Ended 31 August 2018 (continued)

#### Strategic Report

##### Achievements and performance

Gartree High School continues to be a high achieving school and pupils' progress and attainment at the school outstanding.

Students transfer to Gartree High School at age 11 from a range of primary schools in the county and city.

In February 2015 Ofsted judged Gartree High School to be an outstanding school in all aspects.

"Outstanding achievement is the result of the school's high expectations, outstanding teaching, excellent support and pupils' wholly positive attitudes to learning."

"Pupils achieve outstandingly well and reach standards that are well above those expected for their age."

"Leaders know exactly what has to be done to maintain the school's many strengths and improve the very few areas that are not yet outstanding."

"Governors are highly effective. They have a very clear idea of how well the school is doing but continue to challenge leaders to improve teaching and achievements further."

##### Key Stage 3 results for Summer 2018

<b>KS3</b>		
<b>Subject</b>	<b>% students at extending or higher (aiming for 5+ at GCSE)</b>	<b>% students at secure or higher (Aiming for 7+ at GCSE)</b>
English	18.1	75.9
Maths	54.2	85.5
Science	16.9	63.9
Geography	36.1	79.5
History	21.7	79.5
French	31.7	66.7
Spanish	30	70
ICT	34.9	83.1

## Gartree High School

### Trustees' Report for the Year Ended 31 August 2018 (continued)

#### Strategic Report

##### KS4

##### Cam Nat Cert (Att8 Points)

Name	D* - M %	D* - P %	D* - U %	D* - X %	Other	Total Grades	Average Grade
Multimedia	40	90	100	100	100	10	P
Summary	40	90	100	100	100	10	P

##### GCSE Plus 9-1 (Att8 Points)

Name	9 - 7 %	9 - 5 %	9 - 4 %	9 - U %	Total Grades	Average Grade	Average Points
Art	11.1	66.7	77.8	100	18	5=	4.86
Biology	44.4	88.9	100	100	9	6=	6.11
Business Studies	5.3	73.7	84.2	100	19	5=	5.21
Chemistry	44.4	100	100	100	9	6+	6.56
Computer Science	0	63.6	100	100	11	5=	4.77
Design & Tech	11.1	22.2	66.7	100	9	4=	3.83
English Language	14	59.6	82.5	100	57	5=	5.11
English Literature	12.3	54.4	77.2	100	57	5=	4.89
Film Studies	50	100	100	100	2	7=	7
Food Preparation	0	66.7	83.3	100	6	4+	4.67
French	20.5	64.1	74.4	100	39	5=	4.99
Geography	5.6	22.2	38.9	100	36	3=	3.22
History	18.2	54.5	72.7	100	22	5=	4.84
Maths	28.1	63.2	87.7	100	57	5+	5.46
Music	20	60	100	100	5	5+	5.4
PE	16.7	66.7	75	100	12	5=	4.96
Physics	66.7	88.9	100	100	9	6+	6.44
RE	13.8	65.5	93.1	100	29	5+	5.31
Sociology	20	66.7	80	100	15	5=	4.8
Spanish	30.8	53.8	84.6	100	13	5+	5.38
Summary	18	59.7	79.5	100	434	5=	5

##### GCSE Plus Double 9-1 (Att8 Points)

Name	9 - 7 %	9 - 5 %	9 - 4 %	9 - U %	Total Grades	Average Grade	Average Points
Double Science	6.3	54.2	75	100	96	54=	4.59
Summary	6.3	54.2	75	100	96	54=	4.59

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### ***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.

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

Gartree High School benchmarks income against curriculum and staffing needs. Key financial indicators are used to drive the type and appropriateness of the curriculum offered. Development planning activities are cross-referenced to relevant cost centres and success criteria monitor the efficiency and effectiveness with which resources are deployed. Different curriculum models are explored each year and decisions made, based on financial information available, cost effectiveness and likely student outcomes.

##### **Financial review**

The majority of the Academy's income is derived from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the period ended 31 August 2018, total restricted expenditure of £3,881,119 (2017: £4,046,793) was adequately covered by recurrent grant funding from the ESFA together with other incoming resources.

At 31 August 2018 the net book value of fixed assets was £14,197,497 (2017: £14,503,640) and the movement in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and associated support services to the students of the Academy.

The school's cash flow is strong due to the profile of its incoming resources. In particular, the receipt of core grant funding at the start of the financial year means that reserves are not required for working capital purposes.

The pension liability does not have an immediate cash flow impact. The cash flow impact will be the increased contributions as a result of the scheme deficit.

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

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

This is the fifth year of operation as an Academy for Gartree High School. The Academy has developed and adopted an appropriate system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

A Risk Register is maintained at Academy level which is reviewed at least annually by the Finance Committee and more frequently where necessary. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks.

The principal risks that may affect the Academy are outlined below. Not all factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

##### **1. Government Funding**

The Academy has full reliance on continued government funding through the ESFA. The majority of the Academy's revenue was public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practise will remain the same or that public funding will continue at the same levels or on the same terms. Staffing costs have increased through NI contributions, pay uplifts and increases in pension contributions.

The risk is mitigated in a number of ways:

- by ensuring staffing ratios and contact time are cost effective
- by ensuring the Academy is rigorous in continuing to deliver high quality education
- to continue the development of Gartree High School and its provision in line with cost and budget

##### **2. Maintain adequate funding of pension liabilities**

The financial statements report the share of the Local Government Pension Scheme deficit on the Academy's balance sheet in line with the requirements of FRS 102.

##### ***Reserves policy***

The Academy is required to consider what level of reserves it is appropriate for the Academy to hold in order to demonstrate appropriate financial management, stewardship and sustainability. The Board of Trustees wish to do this to provide assurance to all stakeholders that the Academy is managed in a prudent manner for the best interests of its beneficiaries. The Board of Trustees also want to provide confidence that there is a strong justification for the reserves held by the Academy, and that they wish to be open and transparent on all aspects concerning the Academy's reserves policy. In doing this the Academy has considered the following areas.

The financial risks that are mitigated by the holding of reserves include variability of income, variability of expenditure and the risks identified as serious, major or critical that have financial significance.

No funds from reserves were used in this financial year to support the budget. It would be our intention to hold reserves at a similar level until the uncertainty regarding the reorganisation of the school structure and age range change in Leicestershire has been implemented in our locality. We are currently consulting on change.

The Academy Trust's unrestricted funds at the year end were £991,141 (2017: £881,797).

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### ***Investment policy***

The purpose of the policy is to consider the management of the Academy's funds bearing in mind the responsibilities that come with the receipt of central government funding.

The Trustees have agreed to:

- To regularly monitor Cash Flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.
- To identify funds surplus to immediate cash requirements and transfer the funds to the Gartree High School deposit account bearing a higher interest rate.
- To review periodically and at least annually interest rates and compare with other investment opportunities.
- To review periodically and at least annually the academy's current policy to only invests funds in risk free and immediately accessible deposit accounts.

##### **Auditor**

In so far 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.

##### ***Reappointment of auditor***

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Haines Watts Leicester LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Board of Trustees on 13 December 2018 and signed on its behalf by:

.....  
Mrs D Parmar (Chair)  
Governor and trustee

## **Gartree High School**

### **Governance Statement**

#### **Scope of responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to Ms S L Singleton, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Gartree High School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs D Parmar (Chair)	4	4
Mr P E Bannister	4	4
Dr D B Candlin	3	4
Mr P Storey	3	4
Ms S L Singleton	4	4
Mr S Thanki	2	4
Rev J Rackley	3	4
Mrs M A Joseph	3	4
Miss S Hawksworth	4	4
Mrs J Hammonds	4	4
Prof. J Saker	4	4
Mr A Peryer	2	3

## Gartree High School

### Governance Statement (continued)

The Finance and Infrastructure Committee is a sub-committee of the main Board of Trustees. Its purpose is to guide and assist the Head Teacher and Board of Trustees in all matters concerning budgeting, finance and premises; including grounds, security and Health and Safety.

Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs D Parmar (Chair)	3	3
Mr P E Bannister	3	3
Ms S L Singleton	3	3
Mr P Storey	3	3
Mr S Thanki	3	3

#### **Review of value for money**

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

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

- We have maintained our high standards in KS3 and introduced a KS4 curriculum for our first year 10 cohort.
- We ensure robust financial Governance through our Finance and Infrastructure Committee.
- Contracts and procurement are reviewed regularly.
- Financial analysis and benchmarking of all costs takes place to achieve value for money.
- Meeting structure and communication ensures strong internal controls.
- Partnerships locally and nationally ensure our working is best practice.

We strive to ensure the Academy is using its resources effectively to meet the needs of our pupils.

#### **The purpose of the system of internal control**

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

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

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

## **Gartree High School**

### **Governance Statement (continued)**

#### **The risk and control framework**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint Leicestershire County Council internal audit department as internal auditor

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Annually, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

#### **Review of effectiveness**

As Accounting Officer, Ms S L Singleton 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 internal auditor ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

**Gartree High School**

**Governance Statement (continued)**

Approved by order of the members of the Board of Trustees on 13 December 2018 and signed on its behalf by:

.....  
Ms S L Singleton  
Accounting officer  
Trustee

.....  
Mrs D Parmar (Chair)  
Governor and trustee

## **Gartree High School**

### **Statement on Regularity, Propriety and Compliance**

As accounting officer of Gartree High 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 ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

.....  
Ms S L Singleton  
Accounting officer

13 December 2018

## **Gartree High School**

### **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 & 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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; and
- 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board on 13 December 2018 and signed on its behalf by:

.....  
Mrs D Parmar (Chair)  
Governor and trustee

## **Gartree High School**

### **Independent Auditor's Report on the Financial Statements to the Members of Gartree High School**

#### **Opinion**

We have audited the financial statements of Gartree High School (the 'Academy') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **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 Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **Gartree High School**

### **Independent Auditor's Report on the Financial Statements to the Members of Gartree High 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

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

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

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 18], the Trustees 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 Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

## **Gartree High School**

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

- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Use of our report**

This report is made solely to the Academy's Trustees, 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 Academy's trustees 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 Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
Richard Buckby FCA (Senior Statutory Auditor)  
For and on behalf of Haines Watts Leicester LLP, Statutory Auditor

Hamilton Office Park  
31 High View Close  
Leicester  
LE4 9LJ

17 December 2018

## **Gartree High School**

### **Independent Reporting Accountant's Report on Regularity to Gartree High School and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 30 July 2013 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gartree High School during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Board of Trustees's funding agreement with the Secretary of State for Education dated 1 June 2012 and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

We have confirmed that the activities conform to the Academy Trust's framework of authorities. As identified by the review of minutes, management accounts, discussion with the accounting officer and other key management personnel.

We have carried out an analytical review as part of the consideration of whether general activities of the Academy Trust are within the Academy Trust's framework of authorities.

We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the Academy Trust and extended the procedures required for financial statements to include regularity

## Gartree High School

### Independent Reporting Accountant's Report on Regularity to Gartree High School and the Education & Skills Funding Agency (continued)

We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.

Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.

In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.

We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

#### 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 year from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....  
Richard Buckby FCA  
For and on behalf of Haines Watts Leicester LLP, Chartered Accountants

Hamilton Office Park  
31 High View Close  
Leicester  
LE4 9LJ

17 December 2018

## Gartree High School

### Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	4,588	-	-	4,588
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	3,741,284	17,849	3,759,133
Other trading activities	4	293,307	-	-	293,307
Investments	5	3,342	-	-	3,342
Total		<u>301,237</u>	<u>3,741,284</u>	<u>17,849</u>	<u>4,060,370</u>
<b>Expenditure on:</b>					
Raising funds	6	187,564	-	-	187,564
<i>Charitable activities:</i>					
Academy trust educational operations	7	1,435	3,881,119	338,051	4,220,605
Total		<u>188,999</u>	<u>3,881,119</u>	<u>338,051</u>	<u>4,408,169</u>
Net income/(expenditure)		112,238	(139,835)	(320,202)	(347,799)
Transfers between funds		(2,894)	(11,165)	14,059	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	236,000	-	236,000
Net movement in funds/(deficit)		109,344	85,000	(306,143)	(111,799)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2017		<u>881,797</u>	<u>(1,302,000)</u>	<u>14,503,640</u>	<u>14,083,437</u>
Total funds/(deficit) carried forward at 31 August 2018		<u><u>991,141</u></u>	<u><u>(1,217,000)</u></u>	<u><u>14,197,497</u></u>	<u><u>13,971,638</u></u>

## Gartree High School

### Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2016/17 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	18,915	-	-	18,915
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	3,521,025	16,431	3,537,456
Other trading activities	4	384,464	-	-	384,464
Investments	5	4,664	-	-	4,664
Total		<u>408,043</u>	<u>3,521,025</u>	<u>16,431</u>	<u>3,945,499</u>
<b>Expenditure on:</b>					
Raising funds	6	236,499	-	-	236,499
<i>Charitable activities:</i>					
Academy trust educational operations	7	9,861	4,046,793	363,964	4,420,618
Total		<u>246,360</u>	<u>4,046,793</u>	<u>363,964</u>	<u>4,657,117</u>
Net income/(expenditure)		161,683	(525,768)	(347,533)	(711,618)
Transfers between funds		(112,226)	68,281	43,945	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	470,000	-	470,000
Net movement in funds/(deficit)		49,457	12,513	(303,588)	(241,618)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2016		<u>832,340</u>	<u>(1,314,513)</u>	<u>14,807,228</u>	<u>14,325,055</u>
Total funds/(deficit) carried forward at 31 August 2017		<u><u>881,797</u></u>	<u><u>(1,302,000)</u></u>	<u><u>14,503,640</u></u>	<u><u>14,083,437</u></u>

**Gartree High School**  
**(Registration number: 08023322)**  
**Balance Sheet as at 31 August 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	<u>14,197,497</u>	<u>14,503,640</u>
<b>Current assets</b>			
Stocks	12	3,320	2,118
Debtors	13	73,473	122,184
Cash at bank and in hand		<u>1,076,144</u>	<u>915,279</u>
		1,152,937	1,039,581
Creditors: Amounts falling due within one year	14	<u>(161,796)</u>	<u>(157,784)</u>
Net current assets		<u>991,141</u>	<u>881,797</u>
Total assets less current liabilities		<u>15,188,638</u>	<u>15,385,437</u>
Net assets excluding pension liability		15,188,638	15,385,437
Pension scheme liability	22	<u>(1,217,000)</u>	<u>(1,302,000)</u>
Net assets including pension liability		<u><u>13,971,638</u></u>	<u><u>14,083,437</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund		14,197,497	14,503,640
Restricted pension fund		<u>(1,217,000)</u>	<u>(1,302,000)</u>
		12,980,497	13,201,640
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>991,141</u>	<u>881,797</u>
Total funds		<u><u>13,971,638</u></u>	<u><u>14,083,437</u></u>

The financial statements on pages 24 to 46 were approved by the Trustees, and authorised for issue on 13 December 2018 and signed on their behalf by:

.....  
Mrs D Parmar (Chair)  
Governor and trustee

## Gartree High School

### Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	189,431	(337,552)
Cash flows from investing activities	19	<u>(28,566)</u>	<u>(55,712)</u>
Change in cash and cash equivalents in the year		160,865	(393,264)
Cash and cash equivalents at 1 September		<u>915,279</u>	<u>1,308,543</u>
Cash and cash equivalents at 31 August	20	<u><u>1,076,144</u></u>	<u><u>915,279</u></u>

# Gartree High School

## Notes to the Financial Statements for the Year Ended 31 August 2018

### 1 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### **Going concern**

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

#### **Income**

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

#### **Grants**

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

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

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

#### **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 1 Accounting policies (continued)

##### *Donations*

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

##### *Other income*

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

##### *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.

##### *Donated fixed assets*

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

##### **Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

##### *Expenditure on raising funds*

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

##### *Charitable activities*

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

# Gartree High School

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1 Accounting policies (continued)

#### Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed 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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Long leasehold land	Not depreciated
Long leasehold buildings	50 years straight line basis
Furniture and equipment	5 years straight line basis
Computer equipment	5 years straight line basis

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

#### Stock

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

## **Gartree High School**

### **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

#### **1 Accounting policies (continued)**

##### **Taxation**

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

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

##### **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. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

##### **Fund accounting**

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

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

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

##### **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.

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 1 Accounting policies (continued)

##### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 2 Voluntary income

	Unrestricted funds £	2017/18 Total £	2016/17 Total £
Other donations	4,588	4,588	18,915

#### 3 Funding for the Academy Trust's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2018 £	Total 2017 £
<b>DfE/EFA capital grants</b>				
Devolved capital income	-	17,849	17,849	16,431
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	3,333,113	-	3,333,113	3,186,143
<b>Other government grants</b>				
SEN funding from local authority	237,546	-	237,546	167,915
Other Dfe/ESFA grants	159,487	-	159,487	144,322
	397,033	-	397,033	312,237
<b>Non-government grants and other income</b>				
Other income	11,138	-	11,138	22,645
Total grants	3,741,284	17,849	3,759,133	3,537,456

#### 4 Other trading activities

	Unrestricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	11,811	11,811	13,050
Recharges and reimbursements	269,901	269,901	362,561
Other sales	11,595	11,595	8,853
	293,307	293,307	384,464

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 5 Investment income

	<b>Unrestricted funds £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Short term deposits	3,342	3,342	4,664

#### 6 Expenditure

	<b>Staff costs £</b>	<b>Premises £</b>	<b>Other costs £</b>	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Expenditure on raising funds - direct costs	-	-	187,564	187,564	236,499
<b>Academy's educational operations</b>					
Direct costs	2,625,881	-	320,158	2,946,039	3,128,503
Allocated support costs	503,262	585,474	185,830	1,274,566	1,292,115
	3,129,143	585,474	505,988	4,220,605	4,420,618
	3,129,143	585,474	693,552	4,408,169	4,657,117

#### Net income/(expenditure) for the year includes:

	<b>2017/18 £</b>	<b>2016/17 £</b>
Fees payable to auditor - audit	4,950	4,800
- other audit services	900	850
Depreciation of fixed assets	338,051	363,964

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 7 Charitable activities - Academy's educational operations

	<b>Educational operations £</b>	<b>2017/18 Total £</b>	<b>2016/17 Total £</b>
<b>Analysis of support costs</b>			
Support staff costs	503,262	503,262	477,565
Depreciation	338,051	338,051	363,964
Premises costs	247,423	247,423	286,750
Other support costs	179,888	179,888	157,889
Governance costs	5,942	5,942	5,947
Total support costs	1,274,566	1,274,566	1,292,115

#### 8 Staff

##### Staff costs

	<b>2018 £</b>	<b>2017 £</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	2,336,668	2,458,831
Social security costs	212,726	220,596
Pension costs	514,586	503,690
	3,063,980	3,183,117
Supply teacher costs	65,163	83,693
	3,129,143	3,266,810

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 8 Staff (continued)

##### Staff numbers

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

	2017/18 No	2016/17 No
<b>Charitable Activities</b>		
Teachers	46	48
Administration and support	56	57
Management	4	5
	<u>106</u>	<u>110</u>

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2018 No	2017 No
£60,001 - £70,000	2	2
£80,001 - £90,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>

The key management personnel of the Academy Trust comprise the trustees and the senior leadership 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 £183,383 (2017: £174,633).

#### 9 Related party transactions - trustees' remuneration and expenses

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

Ms S L Singleton (Head teacher):

Remuneration: £90,000 - £95,000 (2017 - £85,000 - £90,000)

Employer's pension contributions: £15,000 - £20,000 (2017 - £10,000 - £15,000)

Mr P E Bannister (Staff trustee):

Remuneration: £60,000 - £65,000 (2017 - £60,000 - £65,000)

Employer's pension contributions: £10,000 - £15,000 (2017 - £10,000 - £15,000)

Miss S Hawksworth (Staff trustee):

Remuneration: £35,000 - £40,000 (2017 - £30,000 - £35,000)

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

Other related party transactions involving the trustees are set out in note 23.

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2018 was £595 (2017 - £986).

The cost of this insurance is included in the total insurance cost.

#### 11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and fixtures £	Plant and equipment £	Total £
<b>Cost</b>				
At 1 September 2017	15,843,294	206,830	257,611	16,307,735
Additions	-	14,301	17,607	31,908
At 31 August 2018	<u>15,843,294</u>	<u>221,131</u>	<u>275,218</u>	<u>16,339,643</u>
<b>Depreciation</b>				
At 1 September 2017	1,460,622	156,813	186,660	1,804,095
Charge for the year	279,675	18,669	39,707	338,051
At 31 August 2018	<u>1,740,297</u>	<u>175,482</u>	<u>226,367</u>	<u>2,142,146</u>
<b>Net book value</b>				
At 31 August 2018	<u>14,102,997</u>	<u>45,649</u>	<u>48,851</u>	<u>14,197,497</u>
At 31 August 2017	<u>14,382,672</u>	<u>50,017</u>	<u>70,951</u>	<u>14,503,640</u>

#### 12 Stock

	2018 £	2017 £
Catering	<u>3,320</u>	<u>2,118</u>

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 13 Debtors

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	124	480
Prepayments	41,020	74,089
Accrued grant and other income	16,818	22,238
VAT recoverable	14,636	24,502
Other debtors	875	875
	<u>73,473</u>	<u>122,184</u>

#### 14 Creditors: amounts falling due within one year

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	4,769	-
Other taxation and social security	105,166	103,932
Accruals	30,660	27,487
Deferred income	21,201	26,365
	<u>161,796</u>	<u>157,784</u>

	<b>2018</b>
	<b>£</b>
<b>Deferred income</b>	
Deferred income at 1 September 2017	26,365
Resources deferred in the period	21,201
Amounts released from previous periods	<u>(26,365)</u>
Deferred income at 31 August 2018	<u>21,201</u>

Deferred income includes parental contributions received for school trips taking place in 2018-2019 and deferred rates relief income.

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 15 Funds

	<b>Balance at 1 September 2017 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2018 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	3,741,284	(3,730,119)	(11,165)	-
<b>Restricted fixed asset funds</b>					
Tangible fixed assets	14,503,640	17,849	(338,051)	14,059	14,197,497
<b>Restricted pension funds</b>					
Pension reserve	<u>(1,302,000)</u>	<u>-</u>	<u>(151,000)</u>	<u>236,000</u>	<u>(1,217,000)</u>
Total restricted funds	13,201,640	3,759,133	(4,219,170)	238,894	12,980,497
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>881,797</u>	<u>301,237</u>	<u>(188,999)</u>	<u>(2,894)</u>	<u>991,141</u>
Total funds	<u>14,083,437</u>	<u>4,060,370</u>	<u>(4,408,169)</u>	<u>236,000</u>	<u>13,971,638</u>
	<b>Balance at 1 September 2016 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2017 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	313,487	3,521,025	(3,902,793)	68,281	-
<b>Restricted fixed asset funds</b>					
Tangible fixed assets	14,807,228	16,431	(363,964)	43,945	14,503,640
<b>Restricted pension funds</b>					
Pension reserve	<u>(1,628,000)</u>	<u>-</u>	<u>(144,000)</u>	<u>470,000</u>	<u>(1,302,000)</u>
Total restricted funds	13,492,715	3,537,456	(4,410,757)	582,226	13,201,640
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>832,340</u>	<u>408,042</u>	<u>(246,359)</u>	<u>(112,226)</u>	<u>881,797</u>
Total funds	<u>14,325,055</u>	<u>3,945,498</u>	<u>(4,657,116)</u>	<u>470,000</u>	<u>14,083,437</u>

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 15 Funds (continued)

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

	<b>Balance at 1 September 2016 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2018 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	313,487	7,262,309	(7,632,912)	57,116	-
<b>Restricted fixed asset funds</b>					
Tangible fixed assets	14,807,228	34,280	(702,015)	58,004	14,197,497
<b>Restricted pension funds</b>					
Pension reserve	<u>(1,628,000)</u>	<u>-</u>	<u>(295,000)</u>	<u>706,000</u>	<u>(1,217,000)</u>
Total restricted funds	13,492,715	7,296,589	(8,629,927)	821,120	12,980,497
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>832,340</u>	<u>709,279</u>	<u>(435,358)</u>	<u>(115,120)</u>	<u>991,141</u>
Total funds	<u><u>14,325,055</u></u>	<u><u>8,005,868</u></u>	<u><u>(9,065,285)</u></u>	<u><u>706,000</u></u>	<u><u>13,971,638</u></u>

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

#### Restricted general funds

This fund represents grants received for the Academy's operational activities and development. It includes the pension reserve, which represents the potential liability due by the Academy at the period end.

#### Restricted fixed asset fund

The fund represents the net book value of fixed assets that the Academy has purchased out of grants received or were transferred on conversion.

#### Unrestricted funds

The unrestricted fund represents funds available to the trustees to apply for the general purposes of the Academy.

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 16 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	14,197,497	14,197,497
Current assets	1,152,937	-	-	1,152,937
Current liabilities	(161,796)	-	-	(161,796)
Pension scheme liability	-	(1,217,000)	-	(1,217,000)
Total net assets	<u>991,141</u>	<u>(1,217,000)</u>	<u>14,197,497</u>	<u>13,971,638</u>

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	-	-	14,503,640	14,503,640
Current assets	1,039,582	-	-	1,039,582
Current liabilities	(157,785)	-	-	(157,785)
Pension scheme liability	-	(1,302,000)	-	(1,302,000)
Total net assets	<u>881,797</u>	<u>(1,302,000)</u>	<u>14,503,640</u>	<u>14,083,437</u>

#### 17 Commitments under operating leases

##### *Operating leases*

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	5,772	6,132
Amounts due between one and five years	7,216	12,988
	<u>12,988</u>	<u>19,120</u>

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 18 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2017/18	2016/17
	£	£
Net expenditure	(347,799)	(711,618)
Depreciation	338,051	363,964
Interest receivable	(3,342)	(4,664)
Defined benefit pension scheme obligation inherited	117,000	110,000
Defined benefit pension scheme cost less contributions payable	(38,000)	(25,000)
Defined benefit pension scheme finance cost	72,000	59,000
Increase in stocks	(1,202)	(10)
Decrease/(increase) in debtors	48,711	(3,204)
Increase/(decrease) in creditors	4,012	(126,020)
Net cash provided by/(used in) Operating Activities	<u>189,431</u>	<u>(337,552)</u>

#### 19 Cash flows from investing activities

	2018	2017
	£	£
Dividends, interest and rents from investments	3,342	4,664
Purchase of tangible fixed assets	<u>(31,908)</u>	<u>(60,376)</u>
Net cash used in investing activities	<u>(28,566)</u>	<u>(55,712)</u>

#### 20 Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	<u>1,076,144</u>	<u>915,279</u>
Total cash and cash equivalents	<u>1,076,144</u>	<u>915,279</u>

#### 21 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.

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 22 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 . Both are multi-employer defined benefit schemes.

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

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 22 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £265,118 (2017: £271,725). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £167,267 (2017 - £159,000), of which employer's contributions totalled £132,467 (2017 - £125,000) and employees' contributions totalled £34,800 (2017 - £34,000). The agreed contribution rates for future years are 24.3 per cent for employers and 5.5-12.5 per cent for employees.

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

#### Principal actuarial assumptions

	2018 %	2017 %
Rate of increase in salaries	3.40	3.40
Rate of increase for pensions in payment/inflation	2.40	2.40
Discount rate for scheme liabilities	2.80	2.50
Inflation assumptions (CPI)	2.40	2.40
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

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

	2018	2017
<b>Retiring today</b>		
Males retiring today	22.10	22.10
Females retiring today	24.30	24.30
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.80	23.80
Females retiring in 20 years	<u>26.20</u>	<u>26.20</u>

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 22 Pension and similar obligations (continued)

The academy trust's share of the assets in the scheme were:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Equities	1,025,000	967,000
Government bonds	447,000	289,000
Property	149,000	116,000
Cash and other liquid assets	<u>33,000</u>	<u>72,000</u>
Total market value of assets	<u><u>1,654,000</u></u>	<u><u>1,444,000</u></u>

The actual return on scheme assets was £71,000 (2017 - £100,000).

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Current service cost	249,000	235,000
Interest income	(38,000)	(25,000)
Interest cost	<u>72,000</u>	<u>59,000</u>
Total amount recognised in the SOFA	<u><u>283,000</u></u>	<u><u>269,000</u></u>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
At 1 September	2,746,000	2,829,000
Current service cost	249,000	235,000
Interest cost	72,000	59,000
Employee contributions	35,000	34,000
Actuarial gains	(203,000)	(395,000)
Benefits paid	<u>(28,000)</u>	<u>(16,000)</u>
At 31 August	<u><u>2,871,000</u></u>	<u><u>2,746,000</u></u>

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 22 Pension and similar obligations (continued)

##### Changes in the fair value of academy's share of scheme assets:

	2018	2017
	£	£
At 1 September	1,444,000	1,201,000
Interest income	38,000	25,000
Actuarial gains	33,000	75,000
Employer contributions	132,000	125,000
Employee contributions	35,000	34,000
Benefits paid	<u>(28,000)</u>	<u>(16,000)</u>
At 31 August	<u>1,654,000</u>	<u>1,444,000</u>

#### 23 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.