

Company Registration No. 08693259 (England and Wales)

SKELTON PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

SKELTON PRIMARY SCHOOL

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SKELTON PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

C Farrel (until 25/03/19)
E McLeod
M Brayshaw
J Garratt (from 26/03/19)

Trustees

C J Farrel (Vice Chair) (Resigned 25 March 2019)
E A McLeod (Chair (resigned 14/10/19))
S E Walker (Principal and Accounting Officer)
M Brayshaw (end of term office 17/07/19)
T Hill (Co-opted)
J Maltby (Staff Trustee)
J Garratt
L Allan
J Brallisford
G E Bland (Co-opted)
H L Swarbrick (appointed Chair 15/10/19) (Appointed 18 December 2018)

Team leaders

K Allington
J Maltby
S Campbell
K Pollitt/E Berriman (job share)
K Duck
E Sayer

Senior management team

- Headteacher	S Walker
- Deputy Headteacher	L Krywicznanin
- Assistant Headteacher	N Chapman
- Assistant Headteacher	A Woolf
- Assistant Headteacher	S Newson
- School Business Manager	D Chadwick

Company registration number

08693259 (England and Wales)

Registered office

Station Lane
Skelton
Saltburn by the Sea
TS12 2LR

Independent auditor

Baldwins Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

SKELTON PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
37 Westgate
Guisborough
TS14 6BD

Solicitors

BHP Law LLP
Gloucester House
72 Church Road
Stockton on Tees
TS18 1TW

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and Auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates a three- form entry Primary School with two Nurseries for pupils aged 3-11 serving a catchment area in East Cleveland. The School has a pupil capacity of 630 and had a roll of 577 in the school census in January 2019.

Structure, governance and management

Constitution

The academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy.

The trustees of Skelton Primary School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Skelton Primary School "a primary academy"

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

Subject to the provisions of the Companies Act 2006 every Trustee or other officer or auditor of the School trust shall be indemnified out of the assets of the School Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Method of recruitment and appointment or election of trustees

The members may appoint up to eight Trustees. In addition to the Trustees Appointed, the members may appoint Staff trustees through such process as they may determine. The total number of Trustees (including the HT) who are employees of the Trust shall not exceed one third of the total number of Trustees. Parent Governors will be elected by Parents of registered pupils at the Trust. A Parent Governor must be a parent of a pupil at the time when he is elected. In appointing a Parent Governor, the Governing Body shall appoint a person who is the parent of a registered pupil at the Trust; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Policies and procedures adopted for the induction and training of trustees

The Governing Body has a Service Level Agreement with Stockton Local Authority Governing Body Department, who advise Governors and minute meetings. Included in the SLA is a training package for all Trustees. A report is given at each Governing Body meeting on training undertaken.

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The Head Teacher is the Schools Accounting Officer. The School has a Senior Leadership Team (SLT) that is made up of the Head Teacher, Deputy Head Teacher, Three Assistant Heads and the School Business Manager. The School also has a Management Team that consists of the above plus five Curriculum Team Leaders. Decisions and developments on the day-to-day running of the School are approved at SLT level in line with the School Improvement Plan. The Governing Body is made up of two sub committees, each committee has a member of the SLT to act in an advisory capacity – each committee has its own remit. Depending on the committee remit, decisions can be made at subcommittee or full governing body level. All decisions that have a financial implication are made in line with the School's Finance Handbook. The budget is approved by the Full Governing Body. The Governors are responsible for the strategic management of the school; approving and setting key aspects of the school, including strategic direction, Annual budget, recruitment of senior members of staff, policy changes etc. The Head teacher and staff are responsible for the operational management. School policies are developed by senior members of the school staff to reflect both the strategic direction agreed by the Governors and statutory requirements. Policies are approved and adopted by the Governing Body and implemented as procedures by the SLT and Management Team.

Arrangements for setting pay and remuneration of key management personnel

The Performance of 'Leaders' at all levels will be evaluated against the Head Teacher standards as appropriate for the role. The Head teacher will recommend whether the individuals' pay should be increased to the next incremental point within the scale agreed for their post.

In addition, all leaders are expected to perform at Band 3, Expert Teacher.

Head Teacher

New appointments: The REF review the school group in accordance with STP&CD and select an indicative 7-point pay range appropriately, to be recorded in the committee minutes. A new Head teacher will usually be placed on a minimum of the established range, however the committee may consider using its discretion to pay at any points within the range or in exceptional circumstances may change the range. Reasons for exceptional circumstances must be recorded.

Head Teacher in post

The Head teacher's Pay range may be reviewed at any time.

A successful review may result in the award of 1 or 2 progression points (within the 7-point range). Where the Head teacher is at the top of their group and Governors determine further pay progression is appropriate the additional payment of up to 25% criteria as in STPCD. Minutes of any decisions should be carefully documented.

Deputy & Assistant Head teacher

DHTs & AHTs should be paid on a salary range, which adequately reflects the levels of duties and responsibilities. At S.P.S., this is a 5-point scale. The pay range should not overlap the HT pay range. A successful review may result in the award of 1 or 2 progression points (within the 5-point range). REF should review the salary scale when a new appointment is made. A new DHT/ AHT will usually be placed on the minimum of the established range however; the committee may consider using its discretion to pay at any points on the range.

Support staff

Support Staff at all levels will be evaluated against the professional standards as appropriate for the role and the relevant Career Stage Expectations. The Head teacher will recommend whether the individuals' pay should be increased to the next incremental point within the scale agreed for their post.

Trade union facility time

Skelton Primary School does not have members of staff undertaking such activities.

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Related parties and other connected charities and organisations

The School is an associate member of the East Cleveland Co-operative Learning Trust. The Trust meets legal requirements and has exclusively charitable objectives. The Trust is made- up of nine maintained schools and ten associate members including primary, secondary and Academies. The Trust assists its members in delivering on the Trust's legal requirement to promote community cohesion. The co-operative membership dimension also greatly and actively assists this process. Part of the Trust's remit is to Collaborate and the group collectively seek to purchase goods and services to obtain value for money.

The school has a Parent & Teacher Association called Friends of Skelton Primary School. Friends support the School by fundraising and making links with the local community.

As a single Academy, the school elected to offer support to a local primary (Lingdale Primary) particularly in the management and delivery of support to children with Special Educational Needs.

Objectives and activities

Objects and aims

The principal object and aim of the Trust is the operation of Skelton Primary School to provide education in a safe secure environment to pupils between 4-11

Skelton Primary School became an academy on November 1st 2013. It has 577 on role with two nurseries and three-form entry in all year groups. Key areas for reflection and celebration in 2018/19 are shared below:-

We aim for all of our children to be open minded, brave, positive and inquisitive individuals.

Objects and Aims

	Foundation Stage	Key Stage One	Key Stage Two	Other
Quality of Education	<ul style="list-style-type: none"> • Quality sustained shared thinking • RWI delivery • Verbal feedback • Reading • PP/non PP gap closing • Coherently planned & sequenced curriculum 	<ul style="list-style-type: none"> • RWI delivery • UFOs • WCR • Corrective review & immediate feedback • Bespoke interventions • Assessment APP/ mod • GLD sustained progress • Reading • Coherently planned & sustained curriculum • Adaptive teaching 	<ul style="list-style-type: none"> • UFOs • WCR • Corrective review & immediate feedback • Bespoke interventions • Assessment APP/ mod • Big Ideas • Coherently planned & sustained curriculum • Adaptive teaching 	<ul style="list-style-type: none"> • COOP & NESTA moderation • Personalised responses to identified needs

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Behaviour and Attitudes	<ul style="list-style-type: none"> • Staff high expectations • Early interventions • Behaviour 	<ul style="list-style-type: none"> • Staff high expectations • SEND provision/ Nurture • Attendance 	<ul style="list-style-type: none"> • Staff high expectations • SEND provision/ Nurture • Attendance • Pupil voice eg Parliament, Pupil Care Team, RRS team 	<ul style="list-style-type: none"> • Attendance high profile • Poverty proofing • Parent Drop Ins
Personal Development	<ul style="list-style-type: none"> • 5Rs • British values proms etc • Nurture • Enabling environments 	<ul style="list-style-type: none"> • 5Rs • British values proms etc • Nurture • Connected curriculum • Life skills curriculum 	<ul style="list-style-type: none"> • 5Rs • British values proms etc • Nurture • Extended school offer • Life skills curriculum • Residential quality 	
Leadership and Management	<ul style="list-style-type: none"> • TL gap closing focus/ raising standards • FS data inline • Phase planning • Coaching 	<ul style="list-style-type: none"> • TL gap closing/ raising standards • Gender gap closing • Phonics in line • Y2 inline (exc writing) 	<ul style="list-style-type: none"> • Coaching/ mentoring • TL monitor standards/ reflective 	<ul style="list-style-type: none"> • Quality first teaching • Gap closing focus • PM system • Governor support • Staff development systems- induction/ coaching

Objectives, strategies and activities

Governors are committed to develop and improve the provision of Skelton Primary School to meet the educational and emotional needs of its pupils, this will be achieved by:-

- Monitoring visits focussing on the teaching of reading – in particular inference skills
- Challenge question based around the school headlines

Public benefit

The Trustees have considered and adhered to the Charity Commission's guidance on Public benefit. The key public benefit delivered by Skelton Primary School is the maintenance and development of high quality education to its pupils and the support to their families and the whole community.

Strategic report

Achievements and performance

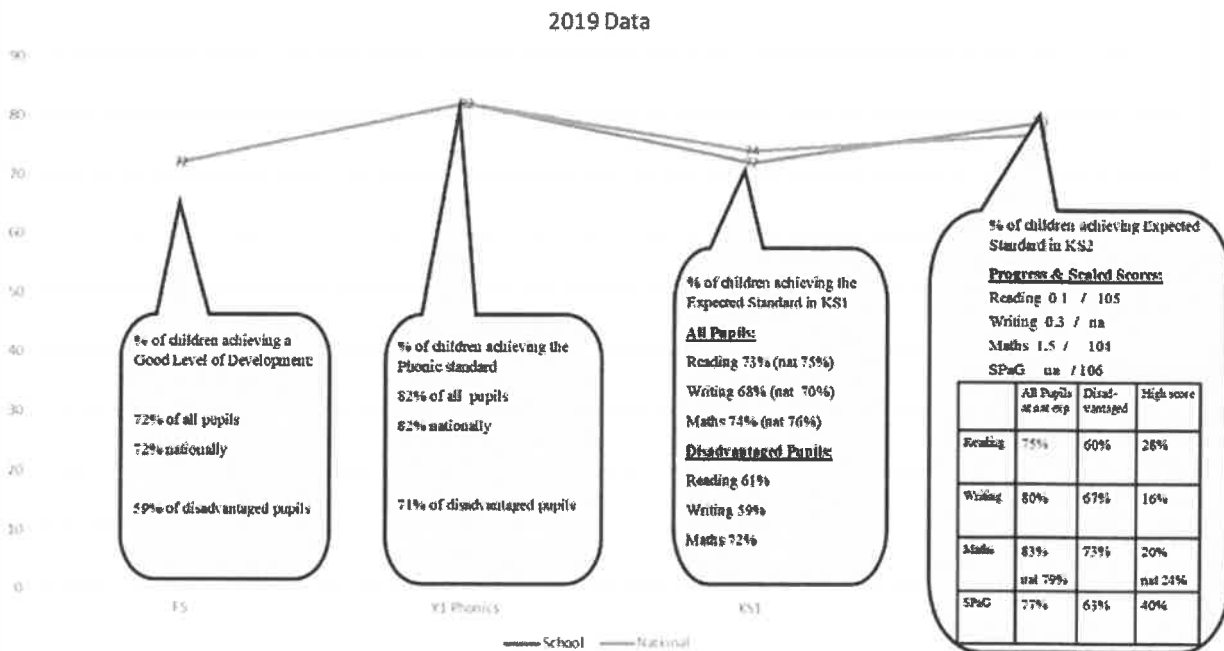
The school achieved a good Ofsted report in 2017, since then the school has strived to continue to develop and improve in all areas including the achievement of our pupils, teaching & learning, behaviour and leadership and management. The School is continuing to improve and is looking to become an outstanding school.

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators



SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2019 In house attainment data: Year N-6:

		Maths																			
All Pupils	No	Autumn					Spring					Summer									
		Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better	Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better	Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better		
Nurs (N2)	62	9%	38%	52%	2%	N/A	91%	2%	25%	62%	12%	N/A	98%	↑	2%	15%	71%	13%	N/A	98%	↑
Reception	72	4%	11%	61%	23%	N/A	96%	6%	13%	30%	51%	N/A	94%	↓	14%	8%	54%	24%	N/A	86%	↓
Year 1	63	18%	3%	78%	0%	0%	82%	20%	3%	77%	0%	0%	80%	↓	13%	10%	66%	11%	0%	87%	↑
Year 2	73	12%	15%	71%	1%	0%	88%	13%	10%	78%	0%	0%	88%	↓	11%	15%	53%	21%	0%	89%	↑
Year 3	72	17%	10%	73%	0%	0%	83%	20%	14%	66%	0%	0%	80%	↓	19%	4%	57%	19%	0%	81%	↓
Year 4	70	4%	28%	68%	0%	0%	96%	7%	25%	68%	0%	0%	93%	↓	1%	10%	61%	27%	0%	99%	↑
Year 5	83	25%	12%	63%	0%	0%	75%	27%	15%	59%	0%	0%	73%	↓	15%	7%	67%	11%	0%	85%	↑
Year 6	75	10%	3%	25%	55%	0%	82%	17%	7%	57%	19%	0%	83%	↑	17%	5%	59%	19%	0%	83%	↑

		Reading																			
All Pupils	No	Autumn					Spring					Summer									
		Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better	Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better	Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better		
Nurs (N2)	62	9%	49%	42%	0%	N/A	91%	2%	32%	58%	8%	N/A	98%	↑	5%	16%	68%	11%	N/A	95%	↑
Reception	72	10%	26%	44%	20%	N/A	90%	11%	17%	29%	43%	N/A	89%	↓	13%	15%	46%	26%	N/A	88%	↓
Year 1	63	18%	12%	70%	0%	0%	82%	20%	7%	74%	0%	0%	80%	↓	15%	11%	58%	16%	0%	85%	↑
Year 2	73	16%	14%	67%	3%	0%	84%	15%	10%	75%	0%	0%	85%	↑	18%	10%	49%	23%	0%	82%	↓
Year 3	72	16%	13%	71%	0%	0%	84%	17%	20%	63%	0%	0%	83%	↓	17%	4%	59%	20%	0%	83%	↓
Year 4	70	4%	19%	76%	0%	0%	96%	4%	26%	69%	0%	0%	96%	→	0%	21%	47%	31%	0%	100%	↑
Year 5	83	19%	20%	62%	0%	0%	81%	24%	26%	50%	0%	0%	76%	↓	21%	10%	60%	10%	0%	79%	↓
Year 6	75	25%	11%	34%	30%	0%	75%	21%	13%	45%	20%	0%	79%	↑	17%	13%	47%	23%	0%	83%	↑

		Writing																			
All Pupils	No	Autumn					Spring					Summer									
		Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better	Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better	Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better		
Nurs (N2)	62	16%	48%	34%	2%	N/A	84%	5%	36%	53%	7%	N/A	95%	↑	2%	23%	68%	8%	N/A	96%	↑
Reception	72	10%	30%	40%	20%	N/A	90%	10%	21%	29%	40%	N/A	90%	→	17%	13%	56%	14%	N/A	83%	↓
Year 1	63	20%	15%	65%	0%	0%	80%	20%	11%	69%	0%	0%	80%	↑	18%	13%	61%	8%	0%	82%	↑
Year 2	73	19%	15%	65%	0%	0%	81%	19%	13%	68%	0%	0%	81%	→	18%	14%	58%	11%	0%	82%	↑
Year 3	72	19%	11%	70%	0%	0%	81%	21%	15%	63%	0%	0%	79%	↓	19%	8%	61%	11%	0%	81%	↓
Year 4	70	12%	18%	71%	0%	0%	88%	15%	18%	68%	0%	0%	85%	↓	17%	9%	56%	19%	0%	83%	↓
Year 5	83	22%	20%	58%	0%	0%	78%	29%	23%	48%	0%	0%	71%	↓	27%	23%	41%	9%	0%	73%	↓
Year 6	75	14%	10%	64%	12%	0%	86%	16%	9%	63%	12%	0%	84%	↓	16%	7%	63%	15%	0%	84%	↓

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2019 In house progress data (over time)

Summer Term 2018 19

Progress

		Year Progress (3 terms)			PROGRESS TO DATE		
		Reading	Writing	Maths	Reading (12)	Writing (12)	Maths (12)
Year 6	Overall	Good	Good	Requires improvement	Good	Good	Good
	Girls	Requires improvement	Good	Requires improvement	Good	Good	Good
	Boys	Good	Good	Good	Good	Good	Good
Year 5	Overall	Good	Requires improvement	Good	Reading (9) Good	Writing (9) Requires improvement	Maths (9) Good
	Girls	Good	Requires improvement	Good	Good	Requires improvement	Requires improvement
	Boys	Good	Requires improvement	Good	Requires improvement	Requires improvement	Good
Year 4	Overall	Good	Requires improvement	Good	Reading (6) Good	Writing (6) Good	Maths (6) Good
	Girls	Good	Requires improvement	Good	Good	Good	Good
	Boys	Good	Requires improvement	Good	Good	Good	Good
Year 3	Overall	Requires improvement	Requires improvement	Requires improvement	Reading (3) Requires improvement	Writing (3) Requires improvement	Maths (3) Requires improvement
	Girls	Requires improvement	Requires improvement	Requires improvement	Requires improvement	Requires improvement	Requires improvement
	Boys	Requires improvement	Inadequate	Requires improvement	Requires improvement	Inadequate	Requires improvement
Year 2	Overall	Good	Good	Good	Reading (6) Good	Writing (6) Good	Maths (6) Good
	Girls	Good	Good	Good	Good	Good	Good
	Boys	Good	Requires improvement	Good	Good	Good	Good
Year 1	Overall	Good	Good	Good	Reading (3) Good	Writing (3) Good	Maths (3) Good
	Girls	Good	Good	Good	Good	Good	Good
	Boys	Good	Good	Good	Good	Good	Good
Reception	Overall	Good	Good	Good	Reading (6*) Good	Writing (6*) Good	Maths (6*) Good
	Girls	Good	Requires improvement	Requires improvement	Good	Good	Good
	Boys	Good	Good	Good	Good	Good	Good

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Free school meals and Pupil Premium:

EYFS

59% of Disadvantaged pupils achieved the GLD. Nationally, 73% of non-disadvantaged pupils achieved the GLD. Therefore, there is an achievement gap of 14%. National Disadvantaged is 54%. Disadvantaged pupils performance is similar or better than disadvantaged pupils nationally, but still below 'Other' pupils nationally.

Y1 Phonics

71% of Disadvantaged pupils achieved the standard compared to 84% of 'Other' pupils nationally. Therefore, there is an achievement gap of 13%. National Disadvantaged is 69%. Disadvantaged pupils performance is similar or better than Disadvantaged pupils nationally, but still below 'Other' pupils nationally.

KS1 SATS

Reading- 61% of Disadvantaged pupils achieved the expected standard compared to 79% of 'Other' pupils nationally. Therefore, there is an achievement gap of 18%. National Disadvantaged is 60%. Disadvantaged pupils performance is similar or better than Disadvantaged pupils nationally, but still below 'Other' pupils nationally.

Writing- 56% of Disadvantaged pupils achieved the expected standard compared to 72% of 'Other' pupils nationally. Therefore, there is an achievement gap of 16%. National Disadvantaged is 50%. Disadvantaged pupils performance is similar or better than Disadvantaged pupils nationally, but still below 'Other' pupils nationally.

Maths- 72% of Disadvantaged pupils achieved the expected standard compared to 79% of 'Other' pupils nationally. Therefore, there is an achievement gap of 7%. National Disadvantaged is 58%. Disadvantaged pupils performance is similar or better than Disadvantaged pupils nationally, but still below 'Other' pupils nationally.

KS2 SATs

53% of Disadvantaged pupils achieved the expected standard compared to 71% of 'Other' pupils nationally. Therefore, there is an achievement gap of 18%. National Disadvantaged is 51%. Disadvantaged pupils performance is similar or better than Disadvantaged pupils nationally, but still below 'Other' pupils Nationally.

The Key headlines of the School Improvement Plan are to support and improve the following areas:-

2019/20= stem, love of reading, writing/spelling, nurture, leadership these areas will be targeted by investing in:-

Stem- computing, progression of skills and vocabulary, use of cpa (concrete, pictorial, abstract) for maths teaching.

Love of reading- develop environments, whole class reading, reading systems and rewards.

Writing/spelling- writing systems and moderation, root word systems for developing spelling skills.

Nurture- updated behaviour system, developing growth mindset understanding, focussing on bottom 20% interventions and promoting independence.

Leadership- staff development and coaching, subject leadership, sen provision, governor development.

Going concern

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

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

The principal sources of income are the ESFA and the Local Authority. Total income for the 12-month period was £2,651,427 of which £2,310,197 (87%) came from ESFA, £212,714 (8%) came from the LA, £128,516 (5%) came from other sources. GAG income is used to fund the following principle expenses:

- Teaching and support within the classrooms
- Non- teaching support for administration, finance, site maintenance
- Staff training
- Operational contracts/SLAs for day to day management
- Educational materials
- Utility services
- Rates

KEY HEADLINES OF THE SCHOOL IMPROVEMENT PRIORITIES

Targeted through investment in

1. Computing hardware- IPADs & apps, practical maths apparatus
2. Reading books, shelving display areas, outdoor seating areas, fundraising for a new library, reward systems
3. Spelling CPD
4. Nurture- bespoke interventions for children experiencing barriers to learning
5. Coaching CPD & time investment in subject leaders.

STEM	LOVE OF READING	WRITING/ SPELLING	NURTURE	LEADER-SHIP
1.Computing (ES) Coding & computer systems	1.Environments (NC/SLT) Classroom library- choices, AR systems, teacher & book reviews Outdoor plan Library plan Fundraising	1.Writing systems (KA)	1.Good behaviour systems (SW) RJ 5Rs Reward systems	1.Staff development incl coaching (JM/SW), Pairs- reading subject leadership (SN) Eprofile Assessment app Curriculum teams (SLT) Collaboration
2.Progression of sc skills/ vocabulary (KC/SLT) BI RC & NC scrutiny	2.Refine WCR Tailored shopping list & support guides Rewarding prolific readers Reading systems Homework rewards AR effectively Buddy reading	2Spelling (SC) Systems- root words, THRA, timetable	2.Growth mindset within life skills (KD) CPD & resources	23SEN Modifying nurture provision Moderation vent
3.CPA (EB/SN) Phase activities- decimals/ % / fractions/ space Use of apparatus			3 Bottom 20% interventions	3 Governor development (SW) Meeting structures

In respect of the Building and grounds we have a rolling programme of maintenance and decoration. The work has been completed on the KS2 roof funded by the CIF grant, we have refurbished the KS1 staff toilet, Air-con has been installed in Y4 and Y5 and a barrier has been installed at the main entrance car park.

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Reserves policy

The level of reserves are reviewed by Trustees throughout the year taking into consideration income and expenditure. Trustees have determined the appropriate level of free reserves should be equivalent to at least one and half month's operational costs. This will provide sufficient working capital to cover delays between spending and receipt of grants and to provide sufficient funds to deal with any unforeseen emergencies such as urgent maintenance. The Schools free reserves (total funds less the amount held in fixed assets and restricted funds) at the end of the period are £433,084. The school plans to use some of its reserves for capital works and to cushion the decrease in funding due to a fall in pupil numbers. School reserves are considered to be appropriate and sufficient to cope with any unforeseen contingencies.

Investment policy

The School does not hold any Investments and will wait to establish a stable Cash Flow. When Governors feel that cash flow is stable, if it is found that the School is able to generate better returns than currently provided in the deposit account investments will be made by creating termly deposits for longer periods with the Schools Bankers – Lloyds.

Principal risks and uncertainties

An essential part of financial planning is consideration of risks to the School. This covers all risks, not merely financial risks, as mitigation of non-financial risks can still have financial consequences. The SBM maintains a detailed risk -register. This needs to be updated regularly and considered by the Governing Body alongside the annual budget submission. The Resource Employment Finance and Audit Committee should have risk management as a standing item on their agenda, and any significant changes to the register should be considered at each meeting.

The principal risks have been identified as:

- Reputational – to continue to attract significant numbers of pupils by maintaining and improving educational standards
- ESFA Funding – there is no guarantee that government policy or practice will remain the same, policy changes could have a negative impact on funding levels
- Universal Infant Free School Meals – the introduction of UIFSM could potentially affect the level of funding if parents entitled to Free School Meals do not register their entitlement (School, at least annually, canvasses FS2/KS1 parents to highlight the benefits of applying for FSM- discounted trips etc)
- Transferring 0.5% of Schools Block allocation to authority to High Needs Block in FY 2018-19
- LA Estimated falling roll from 500+ (2019) to 450s from 2024 onwards. This would mean a 10% drop in roll and thus income.

Risk Management

The School has carried out a Financial Risk & Control checklist. This checklist is intended to help review levels of internal control with a view to assessing the likelihood/impact of any risk arising from the controls not being in place. The checklist is completed on an annual basis as part of the annual Statement of Internal Control that is to be signed by the Head teacher, Chair of Governors or Chair of Resource Employment & Finance Committee.

Fundraising

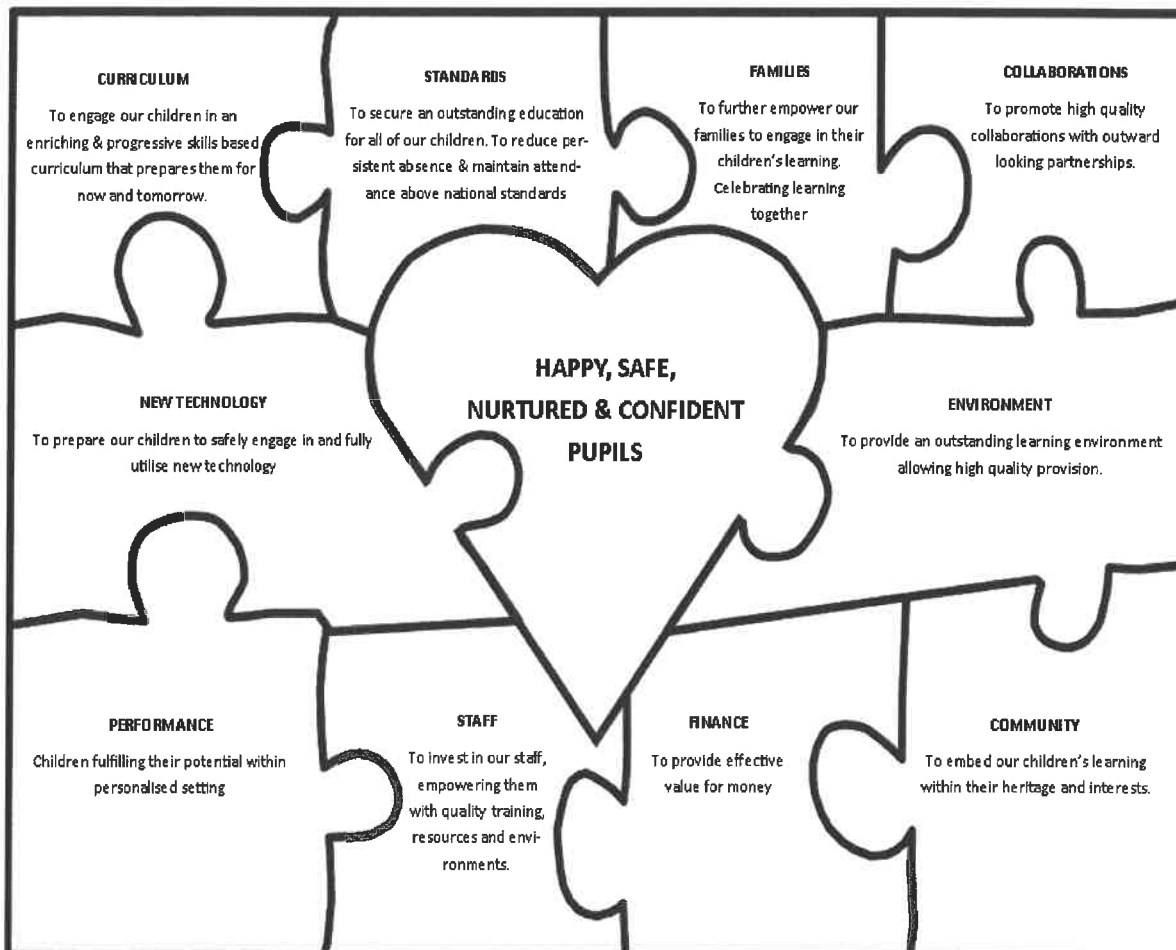
The School complies with the fundraising policies of charities when raising money for them (eg Children in Need)

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods - Where will we be in 2020/2021



Funds held as custodian trustee on behalf of others

The Academy has no funds for which it is acting as custodian trustee.

SKELTON PRIMARY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditor is unaware
- 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.

A resolution proposing that Baldwins Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 09 December 2019 and signed on its behalf by:



H L Swarbrick
appointed Chair 15/10/19

SKELTON PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Head teacher, 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 Skelton Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on Governance included here supplements that as described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year of Board of Trustees was as follows:-

Trustees	Meetings attended	Out of possible
C J Farrel (Vice Chair) (Resigned 25 March 2019)	0	6
E A McLeod (Chair (resigned 14/10/19))	6	6
S E Walker (Principal and Accounting Officer)	6	6
M Brayshaw (end of term office 17/07/19)	4	6
T Hill (Co-opted)	5	6
J Maltby (Staff Trustee)	6	6
J Garratt	5	6
L Allan	5	6
J Brallisford	5	6
G E Bland (Co-opted)	6	6
H L Swarbrick (appointed Chair 15/10/19) (Appointed 18 December 2018)	0	0

Governance Reviews

At the end of a school year, a review was conducted of membership & vacancies, meeting effectiveness and communication shared with governors empowering them to discharge their role effectively. FGB meets 6 times a year and has a clear oversight of school performance and national and local challenges, as evidenced in minutes.

The full review resulted in a comprehensive live document designed by the Chair/ Vice Chair, HT & Clerk to the governing body to be updated before and after each meeting.

Key headlines from the document include

- School improvement plan page to show areas to further improve governance
- how strategic vacancies were filled- recruiting a business manager from a local SAT and an experienced governor and chair of the local primary school COOP
- how meetings will be reconfigured this year to ensure that governors are well armed with clarity on their role, meeting protocol and a planned activity per meeting to ensure interactivity and shared problem solving

SKELTON PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Resource Employment and Finance & Audit Committee is a sub-committee of the main board of trustees. In particular the committee will

Finance

- To consider the Academy's indicative funding, notified annually by the ESFA, and to assess its implications for the academy, in consultation with the Head Teacher in advance of the financial year, drawing any matters of significance or concern to the attention of the Governing Body.
- To consider and recommend to the governing body acceptance of the academy's budget, at the start of each financial year.
- To contribute to the formulation of the academy's development plan, through the consideration of financial priorities and proposals, in consultation with the Head Teacher with the stated and agreed aims and objectives of the academy.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To liaise with and receive reports from the Curriculum, Achievement and Standards and Children, Families and Community Committees, as appropriate, and to make recommendations to those committees about the financial aspects of matters being considered by them.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the DfE, drawing any matters of concern to the attention of the Governing Body.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis and in response to reports from the accounting officer/responsible officer, including the implementation of bank account arrangements and, where appropriate to make recommendations to the governing body for improvement.
- To approve the financial statement for filing in accordance with Companies Act and Charity Commission requirements
- To be responsible to the Board for ensuring compliance with the Funding Agreement and all relevant financial regulations relating to the Academy is observed.
- To advise on major financial decisions that may affect the Academy's resources and finances and the risks involved in such decisions including value for money.
- To oversee treasury management and associated risk.
- To advise the Governing Body on other methods of income generation
- Oversee any capital investment programmes and advise the Governing Body as appropriate
- Additional items which the Governing Body may wish to include

Premises, health and safety

- draw up medium and long term plans relating to the repair, maintenance and development of premises and recommend action to the governing body;
- agree the lettings and charges policy for the use of Academy premises;
- keep the health and safety and emergency procedures and policies under review, ensuring that necessary checks and assessments are carried out and prioritised for action
- seek professional external advice as and when appropriate, inclusive of support offered through service level agreements, to ensure that the academy complies with all current health and safety requirements

SKELTON PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Staffing

- agree the staffing establishment and structure (teaching and non-teaching) at least annually in relation to the budget and the Academy development plan;
- keep under review appropriate staffing policies and procedures - to include grievance, discipline, redundancy, capability, sickness absence; performance management, whistle blowing, pay and conditions of employment and ensure staff are consulted and informed appropriately;
- recommend to the governing body the procedure for filling vacancies and making staff appointments below the Leadership Group;
- monitor the impact of equalities and diversity policies on staff recruitment and retention;
- ensure the Academy complies with the latest requirements in relation to safe recruitment and safeguarding procedures;
- consider any issues referred by the head teacher outside any scheme or policy adopted by the governing body.

The day-to-day running of the School has been delegated to the Head teacher or the deputy in her absence.

Attendance at the meetings in the period of this report are as follows

Trustees	Meetings attended	Out of possible
C J Farrel (Vice Chair) (Resigned 25 March 2019)	0	3
E A McLeod (Chair (resigned 14/10/19))	3	3
S E Walker (Principal and Accounting Officer)	3	3
J Brallisford	2	3
G E Bland (Co-opted)	3	3

Governors have a wide mix of experience including data handling, budgeting, law and personal management. Governors have a good knowledge of the school and its structure and are aware of the main challenges the school faces in raising achievement to and beyond, national levels.

Review of value for money

As accounting officer the Head Teacher 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.

SKELTON PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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:

VALUE FOR MONEY	ACTIONS TAKEN	IMPROVEMENT IN OUTCOMES
New initiatives	<ul style="list-style-type: none"> • SIMs led reporting at mid & end of year. • School designed APPs for pupil monitoring, performance management. • Investment to investigate in a new way to deliver the foundation subjects . 	<ul style="list-style-type: none"> • Staff wellbeing. A concise document for families. • Staff wellbeing. Streamline, effective data than populates SIMs. • Improved curriculum
Better purchasing	<ul style="list-style-type: none"> • NESTA membership & supporting SCITT • Three quotes for jobs 	<ul style="list-style-type: none"> • Top quality students, in turn ensuring succession planning. • Best pricing allowing max spend on our children.
Targeted improvement	<ul style="list-style-type: none"> • Reading strategies – whole class reading & Accelerated Reading strategies • Targeted support with speech & language and gross & fine motor skills 	<ul style="list-style-type: none"> • Promote independence & core skill. • Support the transition into full time school easier for children who need extra support.
Benchmarking	<ul style="list-style-type: none"> • Support for staff, monitoring data & performance. Team teaching & focus on personalised learning. • Pre teaching of key concepts as well as boosters & interventions within lesson time and breakfast provision during Spring 2/ Summer 1&2 	<ul style="list-style-type: none"> • All pupils (incl pupil premium) are making at least good progress on their identified trajectory.
Economies of scale	<ul style="list-style-type: none"> • Utilising SLT to cover short term absence • Smaller FS1 class opening at Easter (rather than running 2 small classes) • Membership of GEL to cross moderate from FS-Y6 	<ul style="list-style-type: none"> • Effective, homemade cover ensuring that monitoring can be first hand • Quality provision within ratio • Cross school moderation

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Skelton Primary School for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the trust's significant risk that has been in place for the period 1 September 2018 to 31 August 2019 and up to date approval of the annual report and financial statements. The process will be regularly reviewed by the board of trustees.

SKELTON PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the Resource Employment and Finance Committee of management 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

- not to appoint an internal auditor. However the trustees have appointed Baldwins, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the school's financial systems. The auditor provides an Internal Assurance report, through the REF Committee on the operation of the systems of control and on the discharge of the board of trustees' responsibilities.

On a termly basis, Baldwins the auditor reports to the board of trustees, through the REF Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Internal Assurance –spring term schedule tested and reviewed:-

- previous reports and planning
- Accounts and reconciliations
- Risk management
- Purchasing
- Income
- Payroll and expenses
- Bank and cash
- Corporate Governance

Key Findings

No High or medium risks were identified during the course of this internal assurance report. There was 1 low risk identified that represent a suggested improvement to procedures that are already working effectively. This is:-

1. Ensure all directorships are listed on the Business interest form.

Internal Assurance –summer term schedule tested and reviewed:-

- Previous reports and planning
- Accounts and Reconciliations
- Purchasing
- Income
- Fixed assets and capital projects
- Management and security of Data
- Corporate Governance

Key Findings

No High or medium or low risks were identified during the course of this internal assurance report.

SKELTON PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Review of effectiveness

As Accounting Officer, the Head teacher 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 external auditor
- the work of the management team who have the 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 REF and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 09 December 2019 and signed on its behalf by:



S E Walker
Principal and Accounting Officer



H L Swarbrick
appointed Chair 15/10/19

SKELTON PRIMARY SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Skelton Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust's 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 2018.

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.



S E Walker
Accounting Officer

09 December 2019

SKELTON PRIMARY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Skelton Primary School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 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 accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 09 December 2019 and signed on its behalf by:



H L Swarbrick
appointed Chair 15/10/19

SKELTON PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SKELTON PRIMARY SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Skelton Primary School for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

SKELTON PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

SKELTON PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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



**Ian Whitfield BA FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services**

9 December 2019

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

SKELTON PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 1 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Skelton Primary School during the period 1 September 2018 to 31 August 2019 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 Skelton Primary School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Skelton Primary School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Skelton Primary School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Skelton Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Skelton Primary School's funding agreement with the Secretary of State for Education dated 1 November 2013 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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.

SKELTON PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Baldwins Audit Services

Dated: 09 December 2019

SKELTON PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	1,357	-	81,890	83,247	253,149
Charitable activities:						
- Funding for educational operations	4	63,107	2,441,021	-	2,504,128	2,579,874
Other trading activities	5	63,715	-	-	63,715	72,646
Investments	6	337	-	-	337	335
Total		<u>128,516</u>	<u>2,441,021</u>	<u>81,890</u>	<u>2,651,427</u>	<u>2,906,004</u>
Expenditure on:						
Raising funds	7	46,167	-	-	46,167	57,055
Charitable activities:						
- Educational operations	8	70,889	2,680,450	108,170	2,859,509	2,981,847
Total	7	<u>117,056</u>	<u>2,680,450</u>	<u>108,170</u>	<u>2,905,676</u>	<u>3,038,902</u>
Net income/(expenditure)		11,460	(239,429)	(26,280)	(254,249)	(132,898)
Transfers between funds	16	-	49,459	(49,459)	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(445,000)	-	(445,000)	156,000
Net movement in funds		11,460	(634,970)	(75,739)	(699,249)	23,102
Reconciliation of funds						
Total funds brought forward		421,624	(570,346)	2,756,987	2,608,265	2,585,163
Total funds carried forward		<u>433,084</u>	<u>(1,205,316)</u>	<u>2,681,248</u>	<u>1,909,016</u>	<u>2,608,265</u>

SKELTON PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £
Income and endowments from:					
Donations and capital grants	3	3,550	-	249,599	253,149
Charitable activities:					
- Funding for educational operations	4	49,204	2,530,670	-	2,579,874
Other trading activities	5	72,646	-	-	72,646
Investments	6	335	-	-	335
Total		125,735	2,530,670	249,599	2,906,004
Expenditure on:					
Raising funds	7	57,055	-	-	57,055
Charitable activities:					
- Educational operations	8	-	2,845,380	136,467	2,981,847
Total	7	57,055	2,845,380	136,467	3,038,902
Net income/(expenditure)		68,680	(314,710)	113,132	(132,898)
Transfers between funds	16	-	209,189	(209,189)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	156,000	-	156,000
Net movement in funds		68,680	50,479	(96,057)	23,102
Reconciliation of funds					
Total funds brought forward		352,944	(620,825)	2,853,044	2,585,163
Total funds carried forward		421,624	(570,346)	2,756,987	2,608,265

SKELTON PRIMARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	12		2,681,248		2,756,987
Current assets					
Debtors	13	124,742		183,873	
Cash at bank and in hand		476,991		726,541	
		<u>601,733</u>		<u>910,414</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(150,965)		(391,136)	
Net current assets			450,768		519,278
Net assets excluding pension liability			3,132,016		3,276,265
Defined benefit pension scheme liability	18		(1,223,000)		(668,000)
Total net assets			<u>1,909,016</u>		<u>2,608,265</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			2,681,248		2,756,987
- Restricted income funds			17,684		97,654
- Pension reserve			(1,223,000)		(668,000)
Total restricted funds			<u>1,475,932</u>		<u>2,186,641</u>
Unrestricted income funds	16		433,084		421,624
Total funds			<u>1,909,016</u>		<u>2,608,265</u>

The accounts on pages 28 to 49 were approved by the trustees and authorised for issue on 09 December 2019 and are signed on their behalf by:



H L Swarbrick
appointed Chair 15/10/19

Company Number 08693259

SKELTON PRIMARY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash used in operating activities	19		(299,346)		(95,347)
Cash flows from investing activities					
Dividends, interest and rents from investments		337		335	
Capital grants from DfE Group		81,890		249,599	
Purchase of tangible fixed assets		(32,431)		(40,410)	
Net cash provided by investing activities			<u>49,796</u>		<u>209,524</u>
Net (decrease)/increase in cash and cash equivalents in the reporting period			(249,550)		114,177
Cash and cash equivalents at beginning of the year			<u>726,541</u>		<u>612,364</u>
Cash and cash equivalents at end of the year			<u><u>476,991</u></u>		<u><u>726,541</u></u>

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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.

1.1 Basis of preparation

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

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts 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 accounts.

The reported share of the LGPS deficit at the balance sheet date has a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 Income

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

Grants

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

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

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

Sponsorship income

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

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

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.

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land & Buildings	50 years straight line
Leasehold improvements	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	5 years straight line

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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.

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

Financial assets

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

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

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Financial liabilities

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

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

1.9 Taxation

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

1.10 Pensions benefits

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

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

1.11 Fund accounting

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

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

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

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £39,000 as at 31 August 2019.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. Although there is some judgement in how this equalisation works and is reflected in the LGPS valuations, actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities and they have included an approximate calculation of the GMP valuation. This has increased the LGPS liability by £3,000 as at 31 August 2019.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	81,890	81,890	249,599
Other donations	1,357	-	1,357	3,550
	<u>1,357</u>	<u>81,890</u>	<u>83,247</u>	<u>253,149</u>

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,914,248	1,914,248	1,982,173
Other DfE group grants	-	314,059	314,059	330,417
	-	2,228,307	2,228,307	2,312,590
Other government grants				
Local authority grants	-	212,714	212,714	218,080
Other funding				
Catering income	43,784	-	43,784	35,323
Other incoming resources	19,323	-	19,323	13,881
	63,107	-	63,107	49,204
Total funding	63,107	2,441,021	2,504,128	2,579,874

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Catering income	741	-	741	156
Income received from pupils	1,180	-	1,180	1,487
Educational visits	22,654	-	22,654	36,332
Other income	39,140	-	39,140	34,671
	63,715	-	63,715	72,646

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	337	-	337	335

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
- Direct costs	15,067	-	31,100	46,167	57,055
Academy's educational operations					
- Direct costs	1,898,902	-	112,317	2,011,219	1,990,576
- Allocated support costs	285,694	297,556	265,040	848,290	991,271
	<u>2,199,663</u>	<u>297,556</u>	<u>408,457</u>	<u>2,905,676</u>	<u>3,038,902</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	6,800	6,800
- Other services	5,000	5,000
Operating lease rentals	1,940	-
Depreciation of tangible fixed assets	108,170	136,467
Net interest on defined benefit pension liability	18,000	18,000

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	-	2,011,219	2,011,219	1,990,576
Support costs				
Educational operations	70,889	777,401	848,290	991,271
	<u>70,889</u>	<u>2,788,620</u>	<u>2,859,509</u>	<u>2,981,847</u>

	2019 £	2018 £
Analysis of support costs		
Support staff costs	285,694	260,796
Depreciation	108,170	136,467
Technology costs	19,292	5,067
Premises costs	189,386	398,551
Other support costs	175,761	132,527
Governance costs	69,987	57,863
	<u>848,290</u>	<u>991,271</u>

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	1,669,924	1,624,425
Social security costs	146,066	138,489
Pension costs	361,478	315,444
	<hr/>	<hr/>
Amounts paid to employees	2,177,468	2,078,358
Agency staff costs	22,195	45,062
	<hr/>	<hr/>
Amounts paid to staff	2,199,663	2,123,420
Staff development and other staff costs	866	2,227
	<hr/>	<hr/>
Total staff expenditure	2,200,529	2,125,647
	<hr/> <hr/>	<hr/> <hr/>

Staff numbers

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

	2019 Number	2018 Number
Teachers and teaching assistants	69	72
Administration and support	5	4
Management	6	5
	<hr/>	<hr/>
	80	81
	<hr/> <hr/>	<hr/> <hr/>

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
	<hr/>	<hr/>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £414,828 (2018: £318,617).

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

S Walker (Headteacher)	
Remuneration	£70,001 - £75,000 (2018: 70,001 - £75,000)
Employer's pension contributions	£10,001 - £15,000 (2018: £10,001 - £15,000)
J Maltby (Teacher)	
Remuneration	£35,001 - £40,000 (2018: £30,001 - £35,000)
Employer's pension contributions	£5,001 - £10,000 (2018: £5,001 - £10,000)
T Hill (Teacher)	
Remuneration	£30,001 - £35,000 (2018: £30,001 - £35,000)
Employer's pension contributions	£5,001 - £10,000 (2018: £5,001 - £10,000)

Other related party transactions involving the trustees are set out within the related parties note.

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2019 was £1,250 (2018: £1,225).

12 Tangible fixed assets

	Land & Buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2018	2,800,000	69,224	48,489	347,319	3,265,032
Additions	-	-	2,326	30,105	32,431
At 31 August 2019	2,800,000	69,224	50,815	377,424	3,297,463
Depreciation					
At 1 September 2018	251,623	3,681	33,925	218,816	508,045
Charge for the year	52,059	1,453	9,762	44,896	108,170
At 31 August 2019	303,682	5,134	43,687	263,712	616,215
Net book value					
At 31 August 2019	2,496,318	64,090	7,128	113,712	2,681,248
At 31 August 2018	2,548,377	65,543	14,564	128,503	2,756,987

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

(Continued)

Land and buildings were valued on the basis of depreciated replacement cost as at 31 March 2014 by Mouchel on behalf of the ESFA. This value was capitalised at the date of conversion.

13 Debtors	2019 £	2018 £
Trade debtors	7,114	-
VAT recoverable	12,595	62,112
Prepayments and accrued income	105,033	121,761
	<u>124,742</u>	<u>183,873</u>
14 Creditors: amounts falling due within one year	2019 £	2018 £
Trade creditors	30,829	258,987
Other taxation and social security	70,434	66,767
Other creditors	169	-
Accruals and deferred income	49,533	65,382
	<u>150,965</u>	<u>391,136</u>
15 Deferred income	2019 £	2018 £
Deferred income is included within:		
Creditors due within one year	<u>39,258</u>	<u>36,927</u>
Deferred income at 1 September 2018	36,927	43,317
Released from previous years	(36,927)	(43,317)
Resources deferred in the year	<u>39,258</u>	<u>36,927</u>
Deferred income at 31 August 2019	<u><u>39,258</u></u>	<u><u>36,927</u></u>

Deferred income includes Universal Infants Free School Meals funding for the 2019/20 academic year, received in advance.

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	97,654	1,914,248	(2,043,677)	49,459	17,684
Other DfE / ESFA grants	-	314,059	(314,059)	-	-
Other government grants	-	212,714	(212,714)	-	-
Pension reserve	(668,000)	-	(110,000)	(445,000)	(1,223,000)
	<u>(570,346)</u>	<u>2,441,021</u>	<u>(2,680,450)</u>	<u>(395,541)</u>	<u>(1,205,316)</u>
Restricted fixed asset funds					
Inherited on conversion	2,553,211	-	(56,893)	-	2,496,318
DfE group capital grants	13,893	81,890	(4,648)	(81,890)	9,245
Capital expenditure from GAG	189,883	-	(46,629)	32,431	175,685
	<u>2,756,987</u>	<u>81,890</u>	<u>(108,170)</u>	<u>(49,459)</u>	<u>2,681,248</u>
Total restricted funds	<u>2,186,641</u>	<u>2,522,911</u>	<u>(2,788,620)</u>	<u>(445,000)</u>	<u>1,475,932</u>
Unrestricted funds					
General funds	<u>421,624</u>	<u>128,516</u>	<u>(117,056)</u>	<u>-</u>	<u>433,084</u>
Total funds	<u>2,608,265</u>	<u>2,651,427</u>	<u>(2,905,676)</u>	<u>(445,000)</u>	<u>1,909,016</u>

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/ESFA grants includes universal infant free school meals funding, sports development funding and pupil premium.

Other government grants include funding for pupils with special educational needs and early years funding and other grants from the local authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants represent Devolved Formula Capital receivable during the period which has been spent on non-capitalised maintenance expenditure.

The Inherited Fixed Asset Fund reflects the assets acquired on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure has been funded by GAG and CIF grants have been spent on non-capitalised items. Transfers between the funds to reflect these transactions are shown in the gains, losses and transfers column.

Unrestricted funds can be used for any purpose, at the discretion of the trustees, within the objectives of the academy trust.

The academy's restricted general and unrestricted funds were £450,768 at 31 August 2019.

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	123,175	1,982,173	(2,216,883)	209,189	97,654
Other DfE / ESFA grants	-	330,417	(330,417)	-	-
Other government grants	-	218,080	(218,080)	-	-
Pension reserve	(744,000)	-	(80,000)	156,000	(668,000)
	<u>(620,825)</u>	<u>2,530,670</u>	<u>(2,845,380)</u>	<u>365,189</u>	<u>(570,346)</u>
Restricted fixed asset funds					
Transfer on conversion	2,634,271	-	(81,060)	-	2,553,211
DfE group capital grants	6,378	249,599	(2,967)	(239,117)	13,893
Capital expenditure from GAG	212,395	-	(52,440)	29,928	189,883
	<u>2,853,044</u>	<u>249,599</u>	<u>(136,467)</u>	<u>(209,189)</u>	<u>2,756,987</u>
Total restricted funds	<u>2,232,219</u>	<u>2,780,269</u>	<u>(2,981,847)</u>	<u>156,000</u>	<u>2,186,641</u>
Unrestricted funds					
General funds	<u>352,944</u>	<u>125,735</u>	<u>(57,055)</u>	<u>-</u>	<u>421,624</u>
Total funds	<u>2,585,163</u>	<u>2,906,004</u>	<u>(3,038,902)</u>	<u>156,000</u>	<u>2,608,265</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	2,681,248	2,681,248
Current assets	433,084	168,649	-	601,733
Creditors falling due within one year	-	(150,965)	-	(150,965)
Defined benefit pension liability	-	(1,223,000)	-	(1,223,000)
Total net assets	<u>433,084</u>	<u>(1,205,316)</u>	<u>2,681,248</u>	<u>1,909,016</u>

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	2,756,987	2,756,987
Current assets	431,624	473,552	5,238	910,414
Creditors falling due within one year	(10,000)	(375,898)	(5,238)	(391,136)
Defined benefit pension liability	-	(668,000)	-	(668,000)
Total net assets	421,624	(570,346)	2,756,987	2,608,265

18 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

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

The Teachers' Pension Budgeting and Valuation Account

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

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

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website.

Scheme Changes

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

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

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

The employer's pension costs paid to the TPS in the period amounted to £171,441 (2018: £163,558).

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.6% for employers and 5.5% - 12.5% 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.

Total contributions made	2019 £	2018 £
Employer's contributions	92,000	85,000
Employees' contributions	33,000	32,000
Total contributions	125,000	117,000

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.0	3.0
Rate of increase for pensions in payment/inflation	2.0	2.0
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.0	2.0

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

	2019 Years	2018 Years
Retiring today		
- Males	21.9	22.9
- Females	23.8	25.0
Retiring in 20 years		
- Males	23.6	25.1
- Females	25.7	27.3

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

	2019 £	2018 £
Discount rate + 0.1%	2,916,000	2,218,000
Discount rate - 0.1%	3,072,000	2,337,000
Mortality assumption + 1 year	2,893,000	2,343,000
Mortality assumption - 1 year	3,095,000	2,212,000
CPI rate + 0.1%	3,041,000	2,314,000
CPI rate - 0.1%	2,946,000	2,241,000

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

	2019 Fair value £	2018 Fair value £
Equities	1,352,280	1,174,570
Cash	224,790	289,620
Property	148,680	123,893
Other assets	44,250	20,917
Total market value of assets	1,770,000	1,609,000

The actual return on scheme assets was £63,000 (2018: £81,000).

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	142,000	147,000
Past service cost	42,000	-
Interest income	(46,000)	(37,000)
Interest cost	64,000	55,000
Total operating charge	<u>202,000</u>	<u>165,000</u>
Changes in the present value of defined benefit obligations	2019 £	2018 £
At 1 September 2018	2,277,000	2,185,000
Current service cost	142,000	147,000
Interest cost	64,000	55,000
Employee contributions	33,000	32,000
Actuarial loss/(gain)	462,000	(112,000)
Benefits paid	(27,000)	(30,000)
Past service cost	42,000	-
At 31 August 2019	<u>2,993,000</u>	<u>2,277,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2019 £	2018 £
At 1 September 2018	1,609,000	1,441,000
Interest income	46,000	37,000
Actuarial gain	17,000	44,000
Employer contributions	92,000	85,000
Employee contributions	33,000	32,000
Benefits paid	(27,000)	(30,000)
At 31 August 2019	<u>1,770,000</u>	<u>1,609,000</u>

SKELTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Reconciliation of net expenditure to net cash flow from operating activities	2019	2018
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	(254,249)	(132,898)
Adjusted for:		
Capital grants from DfE and other capital income	(81,890)	(249,599)
Investment income receivable	(337)	(335)
Defined benefit pension costs less contributions payable	92,000	62,000
Defined benefit pension scheme finance cost	18,000	18,000
Depreciation of tangible fixed assets	108,170	136,467
Decrease/(increase) in debtors	59,131	(17,973)
(Decrease)/increase in creditors	(240,171)	88,991
Net cash used in operating activities	(299,346)	(95,347)

20 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts due within one year	-	700

21 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The academy trust purchased services from C Woolf, spouse of assistant head teacher A Woolf, totaling £546 (2018: £554) during the period. The amounts outstanding at 31 August 2019 was £93 (2018: £60). The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr A Woolf neither participated in, nor influenced. In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

22 Members' liability

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