

Company Registration No. 08693259 (England and Wales)

**SKELTON PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

# SKELTON PRIMARY SCHOOL

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# SKELTON PRIMARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

C J Farrel (Vice Chair)  
E A McLeod (Chair from 4 November 2016)  
S E Walker (Accounting Officer)  
L Willis-Keeler (Chair - Resigned 04/11/16) (Resigned 4 November 2016)  
A J Oswald (Staff/Transferred to trust Appointed 01/01/17) (Resigned 19 September 2017)  
D Butcher (Resigned 18 January 2017)  
M Brayshaw  
K Chisholm (Resigned 30 October 2016)  
L Allanson (Resigned 31 August 2017)  
M Hewitson (Resigned 2 November 2016)  
T Hill  
J Shields  
L Stabler (Appointed 4 November 2016)  
J Woodhead (Appointed 1 January 2017)  
Mr J Garratt (Appointed 20 January 2017)  
L Allan (Appointed 20 January 2017)  
S Theakston (Appointed 20 January 2017 and resigned 31 August 2017)

### Members

C Farrel  
E McLeod  
M Brayshaw (from 4 November 2016)  
L Willis-Keeler (until 4 November 2016)

### Senior management team

- Headteacher	S Walker
- Deputy Headteacher	S Theakston (Resigned 31 August 2017)
- Assistant Headteacher	N Chapman
- Assistant Headteacher	A Carson
- 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 Limited  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

# SKELTON PRIMARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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**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 2017*

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The trustees present their annual report together with the financial statements and Auditor's report of the charitable company for the period 1st September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The 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 611 in the school census in January 2017.

#### **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 8 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 the 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 2017*

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### 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 2 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.

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2017*

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### 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

The aims of the school rest on the following principles and beliefs:-

#### **Moral principles**

We hope to promote a real sense of community and desire to contribute to the world at large. Children will be encouraged to respect and value all people and celebrate their similarities and differences.

#### **The search for excellence**

Our family members will be given every opportunity to develop their talents to the full. We aim to develop a culture of trust in which individuals are encouraged to take risks in their learning and getting something wrong is seen as an opportunity for growth

#### **A happy school family environment**

We aim to extend a warm welcome and provide stimulating and challenging learning opportunities for everyone. A constantly improving example of an exciting and enriching curriculum will be promoted offering opportunities for pupils to recognise, develop and share their wide variety of talents and skills within a healthy and safe environment.

#### **The uniqueness of the individual**

All pupils are valued and respected as individuals so that they may be helped to fulfil their unique role in the 21st century. We aim to promote self-esteem and confidence and to celebrate achievement within the school family.

#### **The education of the whole person**

We aim to encourage all members of the community to develop a positive attitude and active involvement in school life. To promote the importance of positive relationships and partnership throughout the school family and beyond.

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Objectives, strategies and activities

Skelton Primary School became an academy on November 1st 2013. It has 611 on role with two nurseries and three form entry in all year groups. Key areas for reflection and celebration in 2016/2017 include:

#### **Child Wellbeing**

- Nurture, counselling, Care Team & inclusion provision

#### **Pupil Leadership**

- Approachable, friendly, open 'spirit' amongst all children from Foundation Stage to Year 6.
- Buddy reading between year groups has been and will continue to be a great success
- Pupil leadership in key areas especially House Captains, Eco & Gardening, UNICEF, School Council and Head boy & Girl

#### **Parents**

- Support for our children, encouraging them with family values as well as trying their best in home and at school
- Support for our school in terms of policies and procedures, especially uniform and punctuality and supporting out of hours clubs and attending social functions

#### **Staffing**

- Quality of teaching staff & dynamic of staffing structure nurturing year group identity and development
- Quality of support recognised as very important in all non-teaching staff including classroom support, office and site staff
- Resilience & fantastic support of staff during devastating floods of September & subsequent disruption over two terms
- Networking with local schools within the East Cleveland Cooperative, North East Teaching Alliance

#### **Standards**

- Progress data from Key Stage 1 to Key Stage 2 puts our children in the top 5% of all school in Reading, Writing & Maths.
- Personalised learning to meet the needs of our young children, a significant percentage of whom join us well below expected levels
- Aspirational in house targets of 3- 3.3pp+ points progress a year by all groups of learners
- Successful OFSTED April 2017
- GLD increase of 5% so is now in line with national average
- No gender gap in children reaching GLD when leaving EYFS
- KS1 results above national in reading, writing and maths
- Disadvantage pupils in KS1 outperformed national others in reading and maths
- Disadvantage pupils in KS1 performed as well as other pupils nationally in writing
- KS2 results above national average in reading, writing, maths and combined
- Disadvantaged pupils in KS2 outperformed national others in maths, writing and reading
- Ks2 greater depth above national in reading and SPaG

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:-

- Developing skills in early phonics, reading and to further develop reading comprehension
- further extend the value of impact of Teaching & Learning
- Providing further tailored provision for our most vulnerable or 'invisible pupils in danger of under achievement'

#### 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.



# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 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.

#### Key performance indicators

##### 2017 KEY STAGE TWO RESULTS:

	% at Expected	National Average	% above Expected	National Average
Maths	93.3	75	37.3	23
Reading	81.3	71	24	25
Writing	90.7	76	13.3	18
SPaG	89.3	77	36	31
RWM combined	79	61	5	9

##### 2017 Year 6

	Exp progress	Better than progress	Exp Standard (ave)	score	National Percentile
Math	87	84	108		6.8 (top 5%)
Reading	80	63	106		4.9 (Top 5%)
Writing	97	51	n/a		4.8 (Top 5%)
SPaG	na	na	109		n/a

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 2017 In house data: Year 1-6

Progress by HA:				Progress by HA PP:				Progress by MA:			
	E	M	M		E	M	M		E	M	M
Y1	2.3	2.8	2.9	Y1	3.0	-	3.0	Y1	3.0	3.7	3.1
Y2	3.0	3.0	3.0	Y2	3.0	3.0	3.0	Y2	3.2	3.1	3.2
Y3	3.0	3.0	3.0	Y3	3	3	3	Y3	3.1	3.1	3.1
Y4	3.0	3.1	3.0	Y4	-	-	-	Y4	3.2	3.2	3.2
Y5	3.0	3.0	2.9	Y5	3.0	3.0	3.0	Y5	3.0	2.8	3.1
Y6	3.0	3.0	3.0	Y6	3	3	3	Y6	3.2	3.0	3.2
School Ave	2.9	3.0	3.0	School Ave	3.1	3.1	3.1	School Ave	3.2	3.2	3.2

Progress by LA:				Progress by SEN:				Progress by SEN PP:			
	E	M	M		E	M	M		E	M	M
Y1	3.0	3.1	3.1	Y1	3.0	3.0	3.1	Y1	3.0	3.0	3.0
Y2	2.6	2.7	3.0	Y2	3.0	2.8	3.2	Y2	3.2	3.0	3.2
Y3	2.4	2.6	2.8	Y3	2.8	2.8	2.8	Y3	2.3	2.3	2.5
Y4	3.1	3.0	3.0	Y4	3.1	2.6	2.6	Y4	3.2	2.3	3
Y5	3.1	3.3	3.3	Y5	3.0	3.2	2.9	Y5	3.0	3.0	3.0
Y6	3.2	3.1	3.1	Y6	3.0	3.1	3.1	Y6	3.2	3.0	3.1
School Ave	3.0	3.0	3.1	School Ave	3.0	3.1	3.1	School Ave	3.0	3.2	3.2

#### Free school meals and Pupil Premium:

At Key Stage 1 and 2, the gap in attainment has continued to close in Reading and Maths.

(FSM/Non FSM/Pupil Premium PROGRESS (based on 3 terms)

Reading	R	Y1	Y2	Y3	Y4	Y5	Y6
Pupil Prem	4.1	3.2	3.1	2.7	3.0	3.2	3.8
FSM							
Non-Pupil Prem	4.5	3.4	3.0	3.0	3.2	3.1	3.0
Pupil Prem FSM	4.1	3.4	3.0	2.9	3.0	3.0	3.5
Non-Pupil Prem FSM	4.2	3.3	3.0	3.0	3.0	3.0	3.6

Maths	R	Y1	Y2	Y3	Y4	Y5	Y6
Pupil Prem	4.1	3.2	3.1	2.8	3.2	3.2	3.4
FSM							
Non-Pupil Prem	4.1	3.0	3.1	2.9	3.3	2.9	3.7

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

- Grammar, punctuation and spelling (esp spelling)
- Planning and Tracking (AWL and trajectory)
- Life Skills inc. Keeping Children Safe
- More Able & disadvantaged pupils
- Attendance, especially SEN & disadvantaged

These areas will be targeted by investing in

- bespoke staff CPD
- Accelerated reading rolled out
- Spelling CPD
- Leadership CPD
- Release to share good practice

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 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.

#### **Financial review**

The principal sources of income are the ESFA and the Local Authority. Total income for the 12 month period was £2,672,563 of which £2,314,073 (87%) came from ESFA, £211,624 (8%) came from the LA, £146,866 (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

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

- **Reading**
- **Teaching & Learning**
- **Personal, Social & Emotional development**
- **Data**

These areas will be targeted by investing in

- Resources - Reading books  
Reading resources, equipment and staff training  
Website portfolios  
Investing in musical instruments and composition equipment FS-Y6
- Personal, Social & Emotional development  
Extend counselling provision  
Introduce a Friday afternoon enrichment  
New rewards systems around behaviour, attendance
- Staff CPD  
Bespoke staff training on new assessment  
Staff release to see good practice in neighbouring schools
- Staffing  
Staff for interventions

In respect of the Building and grounds we have a rolling programme of maintenance and decoration. We have totally refurbished the three Year 6 classrooms and corridor. The KS1 learning environment has been improved with the installation of suspended ceiling and energy saving LED lights to FS1 and Year 1. The shade sails on the playing fields have been replaced along with the umbrella in Foundation stage. Foundation Stage 1 has also been decorated throughout.

#### 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 £571,385. 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.

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Investment policy and powers

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.

### **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.

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
- The possibility of transferring 0.5% of Schools Block allocation to authority to High Needs Block in FY 2018-19

### **Plans for future periods**

**PUPILS** - Confident, motivated children with a clear picture of their role and where they fit as twenty first century young people

**PARENTS** - Further informed on what their children are learning, and how they can help them

**CURRICULUM** – Review and revised curriculum centred on basic skills embedded across the curriculum. An exciting, enriched curriculum for all.

**STANDARDS** - Secure an outstanding OFSTED status. Reduction of persistent absence. Attendance above national standards.

**COLLABORATIONS** - Working in a number of high quality collaborations, directly impacting on standards for our children

**PERFORMANCE** - meeting & beating our data targets across all key stages. Outperforming the National Average.

**COMMUNITY** - At the very heart of the community in as extended way as possible

**ENVIRONMENT** - An outstanding learning environment for all. Allowing all expert adults to deliver high quality provision to all learners- especially in standards of teaching.

**BESPOKE CPD** - Offering an outstanding bespoke service for all of our staff

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2017*

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**FINANCIALLY** - Better off due to more effective income generation methods & practices.

### **Funds held as custodian trustee on behalf of others**

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

### **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 Baldwin Accountants 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 11 December 2017 and signed on its behalf by:



E A McLeod

**Chair from 4 November 2016**

# SKELTON PRIMARY SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### 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 3 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)	2	4
E A McLeod (Chair from 4 November 2016)	4	4
S E Walker (Accounting Officer)	5	5
L Willis-Keeler (Chair - Resigned 04/11/16) (Resigned 4 November 2016)	0	0
A J Oswald (Staff/Transferred to trust Appointed 01/01/17) (Resigned 19 September 2017)	1	5
D Butcher (Resigned 18 January 2017)	0	1
M Brayshaw	5	5
K Chisholm (Resigned 30 October 2016)	0	0
L Allanson (Resigned 31 August 2017)	3	5
M Hewitson (Resigned 2 November 2016)	0	0
T Hill	0	0
J Shields	5	5
L Stabler (Appointed 4 November 2016)	4	5
J Woodhead (Appointed 1 January 2017)	4	4
Mr J Garratt (Appointed 20 January 2017)	4	4
L Allan (Appointed 20 January 2017)	5	5
S Theakston (Appointed 20 January 2017 and resigned 31 August 2017)	4	4

In the autumn of 2016, Skelton governors underwent a full review with the National Governor's Association. Consequently membership changed quite significantly, with 3 governors leaving and 4 governors being recruited based on key skills that they could share. A full skills audit was undertaken and a Governor Visit policy was designed to support governors accessing school life with a sharp focus based on key performance indicators. The strategic view was also revisited & reviewed and OFSTED visit in spring 2017 confirmed that leadership in all areas was a least good.

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

# SKELTON PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2017*

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### 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

### 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.

# SKELTON PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

The day to day running of the School has been delegated to the Head teacher or his deputy in his 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)	2	4
S E Walker (Accounting Officer)	5	5
A J Oswald (Staff/Transferred to trust Appointed 01/01/17) (Resigned 19 September 2017)	1	5
L Allanson (Resigned 31 August 2017)	3	5
L Stabler (Appointed 4 November 2016)	4	5
S Theakston (Appointed 20 January 2017 and resigned 31 August 2017)	4	4

Governors have a wide mix of experience including data handling, budgeting 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.

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:

Area of value for money	Actions taken	Improvement in outcomes for all (incl quantifiable)
New Initiatives	Investment in Accelerated reader programme for Y4 & Y5	Improvement in reading data in all areas, especially boys
Better purchasing	New Safeguarding support provider, NESTA buy in at discounted price	Larger scale provider with more access to wider range of resources  All staff trained and self assessing  Greater knowledge of Ofsted inspection process.
Targeted improvement	1. Additional teacher in Y3 & Y6 2. Additional teaching assistant in FS2.	Y6 progress data in top 5% of schools in all subjects  GLD met national standard
Benchmarking	Pupil Premium: Sutton Trust  -boosters & interventions provided in all yr groups  -Staff CPD on More able pupils	All PP groups making good or better progress  Staff using feedback to engage more able pupils in challenging activity
Economies of scale	1. COOP & NESTA shared CPD 2. Moderation through COOP cluster (writing assessment moderation).	Shared best practice across local schools  Moderated writing from Year 1 – Year 6



# SKELTON PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **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 year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the 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 1st September, 2016 to 31st August, 2017 and up to date approval of the annual report and financial statements. The process will be regularly reviewed by the board of trustees.

### **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, 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 2017**

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### **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 11 December 2017 and signed on its behalf by:



E A McLeod

**Chair from 4 November 2016**



S E Walker

**Accounting Officer**

# SKELTON PRIMARY SCHOOL

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

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As accounting officer of Skelton Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

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 2016.

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**

11 December 2017

# SKELTON PRIMARY SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The trustees (who also act as governors for Skelton Primary School and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2016 to 2017;
- 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 board of trustees on 11 December 2017 and signed on its behalf by:



E A McLeod

**Chair from 4 November 2016**

# SKELTON PRIMARY SCHOOL

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

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### Opinion

We have audited the accounts of Skelton Primary School for the year ended 31 August 2017 which comprise 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 2016 to 2017 issued by the Education and 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 2017 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 2016 to 2017.

### 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 other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. 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.

### Opinions on other matters prescribed by the Companies Act 2006

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

# SKELTON PRIMARY SCHOOL

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

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### **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.

# SKELTON PRIMARY SCHOOL

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

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### **Auditor's responsibilities for the audit of the financial statements**

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.

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 Limited

11 December 2017

**Chartered Accountants**  
**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 AND SKILLS FUNDING AGENCY

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In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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 AND SKILLS FUNDING AGENCY (CONTINUED)

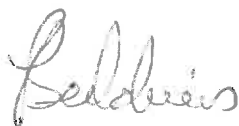
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The work undertaken to draw to our conclusion includes:

- 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 2016 to 31 August 2017 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 Limited

Dated: 11 December 2017

# SKELTON PRIMARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	3,930	1,086	15,086	20,102	32,306
Charitable activities:						
- Funding for educational operations	4	63,233	2,496,681	-	2,559,914	2,562,155
Other trading activities	5	63,326	29,079	-	92,405	166,262
Investments	6	418	-	-	418	703
<b>Total income and endowments</b>		<b>130,907</b>	<b>2,526,846</b>	<b>15,086</b>	<b>2,672,839</b>	<b>2,761,426</b>
<b>Expenditure on:</b>						
Raising funds	7	68,965	-	-	68,965	31,494
Charitable activities:						
- Educational operations	8	-	2,710,493	115,797	2,826,290	2,741,175
<b>Total expenditure</b>	<b>7</b>	<b>68,965</b>	<b>2,710,493</b>	<b>115,797</b>	<b>2,895,255</b>	<b>2,772,669</b>
<b>Net income/(expenditure)</b>		<b>61,942</b>	<b>(183,647)</b>	<b>(100,711)</b>	<b>(222,416)</b>	<b>(11,243)</b>
Transfers between funds		-	(99,695)	99,695	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	740,000	-	740,000	(787,000)
<b>Net movement in funds</b>		<b>61,942</b>	<b>456,658</b>	<b>(1,016)</b>	<b>517,584</b>	<b>(798,243)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		291,002	(1,077,483)	2,854,060	2,067,579	2,865,822
Total funds carried forward		352,944	(620,825)	2,853,044	2,585,163	2,067,579

# SKELTON PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	8,460	13,426	10,420	32,306
Charitable activities:					
- Funding for educational operations	4	50,587	2,511,568	-	2,562,155
Other trading activities	5	59,395	106,867	-	166,262
Investments	6	703	-	-	703
<b>Total income and endowments</b>		<u>119,145</u>	<u>2,631,861</u>	<u>10,420</u>	<u>2,761,426</u>
<b>Expenditure on:</b>					
Raising funds	7	31,494	-	-	31,494
Charitable activities:					
- Educational operations	8	37,028	2,604,842	99,305	2,741,175
<b>Total expenditure</b>	7	<u>68,522</u>	<u>2,604,842</u>	<u>99,305</u>	<u>2,772,669</u>
<b>Net income/(expenditure)</b>		50,623	27,019	(88,885)	(11,243)
Transfers between funds		-	(115,004)	115,004	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	18	-	(787,000)	-	(787,000)
<b>Net movement in funds</b>		50,623	(874,985)	26,119	(798,243)
<b>Reconciliation of funds</b>					
Total funds brought forward		240,379	(202,498)	2,827,941	2,865,822
Total funds carried forward		<u>291,002</u>	<u>(1,077,483)</u>	<u>2,854,060</u>	<u>2,067,579</u>

# SKELTON PRIMARY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		2,853,044		2,854,060
<b>Current assets</b>					
Debtors	13	165,900		188,096	
Cash at bank and in hand		612,364		652,216	
		<u>778,264</u>		<u>840,312</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(302,145)		(265,793)	
<b>Net current assets</b>			476,119		574,519
<b>Net assets excluding pension liability</b>			3,329,163		3,428,579
Defined benefit pension liability	18		(744,000)		(1,361,000)
<b>Net assets</b>			<u>2,585,163</u>		<u>2,067,579</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			2,853,044		2,854,060
- Restricted income funds			123,175		283,517
- Pension reserve			(744,000)		(1,361,000)
<b>Total restricted funds</b>			<u>2,232,219</u>		<u>1,776,577</u>
<b>Unrestricted income funds</b>	16		352,944		291,002
<b>Total funds</b>			<u>2,585,163</u>		<u>2,067,579</u>

The accounts set out on pages 24 to 46 were approved by the board of trustees and authorised for issue on 11 December 2017 and are signed on its behalf by:



E A McLeod  
Chair from 4 November 2016

Company Number 08693259

# SKELTON PRIMARY SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

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	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		59,425		154,606
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		418		703	
Capital grants from DfE and EFA		15,086		10,420	
Payments to acquire tangible fixed assets		(114,781)		(135,852)	
			(99,277)		(124,729)
<b>Change in cash and cash equivalents in the reporting period</b>					
			(39,852)		29,877
Cash and cash equivalents at 1 September 2016					
			652,216		622,339
<b>Cash and cash equivalents at 31 August 2017</b>					
			612,364		652,216

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# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 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 2016 to 2017 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 receivable

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 2017

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#### 1 Accounting policies

(Continued)

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

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

##### 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.

##### Governance costs

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

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 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:

Buildings	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 of services it must provide.

#### 1.7 Leasing and hire purchase commitments

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 2017

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#### 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. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded 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 2017

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#### 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 note36, 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.

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Private sponsorship	-	1,086	1,086	13,426
Capital grants	-	15,086	15,086	10,420
Other donations	3,930	-	3,930	8,460
	<u>3,930</u>	<u>16,172</u>	<u>20,102</u>	<u>32,306</u>

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4	Funding for the academy trust's educational operations	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
	<b>DfE / ESFA grants</b>				
	General annual grant (GAG)	-	1,969,938	1,969,938	1,979,038
	Other DfE / ESFA grants	-	330,983	330,983	333,109
		-	2,300,921	2,300,921	2,312,147
	<b>Other government grants</b>				
	Local authority grants	-	195,760	195,760	199,421
	<b>Other funds</b>				
	Catering income	37,689	-	37,689	37,028
	Other incoming resources	25,544	-	25,544	13,559
		63,233	-	63,233	50,587
	<b>Total funding</b>	63,233	2,496,681	2,559,914	2,562,155
5	Other trading activities	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
	Catering income	743	-	743	1,285
	Income received from pupils	2,410	-	2,410	1,122
	Educational visits	23,153	-	23,153	24,771
	Other income	37,020	29,079	66,099	139,084
		63,326	29,079	92,405	166,262
6	Investment income	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
	Short term deposits	418	-	418	703

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	12,854	-	56,111	68,965	31,494
Academy's educational operations					
- Direct costs	1,899,815	-	117,547	2,017,362	2,011,398
- Allocated support costs	281,339	279,473	248,116	808,928	729,777
	<u>2,194,008</u>	<u>279,473</u>	<u>421,774</u>	<u>2,895,255</u>	<u>2,772,669</u>
<b>Net income/(expenditure) for the year includes:</b>				<b>2017</b>	<b>2016</b>
				£	£
Fees payable to auditor for:					
- Audit				6,000	6,000
- Other services				7,535	5,147
Depreciation of tangible fixed assets				115,797	99,305
Net interest on defined benefit pension liability				26,000	18,000
				<u>155,332</u>	<u>128,452</u>
<b>8 Charitable activities</b>				<b>2017</b>	<b>2016</b>
				£	£
<b>All from restricted funds:</b>					
Direct costs - educational operations				2,017,362	2,011,398
Support costs - educational operations				808,928	729,777
				<u>2,826,290</u>	<u>2,741,175</u>
				<b>2017</b>	<b>2016</b>
				£	£
<b>Analysis of support costs</b>					
Support staff costs				281,339	188,376
Depreciation and amortisation				115,797	99,305
Technology costs				16,703	5,723
Premises costs				124,472	144,046
Other support costs				191,522	228,548
Governance costs				79,095	63,779
				<u>808,928</u>	<u>729,777</u>

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 9 Staff costs

	2017 £	2016 £
Wages and salaries	1,597,257	1,636,272
Social security costs	140,951	118,910
Operating costs of defined benefit pension schemes	343,864	273,721
Staff costs	2,082,072	2,028,903
Supply staff costs	102,518	56,550
Staff restructuring costs	7,969	-
Staff development and other staff costs	1,449	1,500
Total staff expenditure	2,194,008	2,086,953

### Staff numbers

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

	2017 Number	2016 Number
Teachers	73	73
Administration and support	4	4
Management	5	6
	82	83

### Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	1

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £7,969 (2016: £nil). Individually, the payments were: £3,684, £3,222 and £1,063.

### 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 £340,965 (2016; £239,875).

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 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	£75,001 - £80,000 (2016: 75,001 - £80,000)
Employer's pension contributions	£10,001 - £15,000 (2016: £10,001 - £15,000)
A Oswald (Deputy Headteacher)	
Remuneration	£15,001 - £20,000 (2016: £55,001 - £60,000)
Employer's pension contributions	£1 - £5,000 (2016: £5,001 - £10,000)
J Shields (Teacher)	
Remuneration	£30,001 - £35,000 (2016: £20,001 - £25,000)
Employer's pension contributions	£1 - £5,000 (2016: £1 - £5,000)
T Hill (Teacher)	
Remuneration	£25,001 - £30,000 (2016: not a trustee)
Employer's pension contributions	£1 - £5,000 (2016: not a trustee)
S Theakston (Acting Deputy Headteacher)	
Remuneration	£45,001 - £50,000 (2016: not a trustee)
Employer's pension contributions	£5,001 - £10,000 (2016: not a trustee)

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £1,200 (2016: £1,157).

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 12 Tangible fixed assets

	Buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2016	2,869,224	35,078	205,539	3,109,841
Additions	-	-	114,781	114,781
At 31 August 2017	2,869,224	35,078	320,320	3,224,622
<b>Depreciation</b>				
At 1 September 2016	148,279	6,726	100,776	255,781
Charge for the year	53,512	11,693	50,592	115,797
At 31 August 2017	201,791	18,419	151,368	371,578
<b>Net book value</b>				
At 31 August 2017	2,667,433	16,659	168,952	2,853,044
At 31 August 2016	2,720,945	28,352	104,763	2,854,060

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

	2017	2016
	£	£
Trade debtors	85	-
VAT recoverable	37,366	27,040
Prepayments and accrued income	128,449	161,056
	165,900	188,096

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

	2017	2016
	£	£
Trade creditors	151,077	145,394
Other taxation and social security	68,507	47,491
Accruals and deferred income	82,561	72,908
	302,145	265,793

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

15 Deferred income	2017 £	2016 £
Deferred income is included within:		
Creditors due within one year	43,317	45,938
Deferred income at 1 September 2016	45,938	43,029
Released from previous years	(45,938)	(43,029)
Amounts deferred in the year	43,317	45,938
<b>Deferred income at 31 August 2017</b>	<b>43,317</b>	<b>45,938</b>

Deferred income includes Universal Infants Free School Meals funding and rates grant for the 2017/18 academic year received in advance.

16 Funds	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant	283,194	1,969,938	(2,030,262)	(99,695)	123,175
Other DfE / ESFA grants	-	330,983	(330,983)	-	-
Other government grants	-	195,760	(195,760)	-	-
Other restricted funds	323	30,165	(30,488)	-	-
Funds excluding pensions	283,517	2,526,846	(2,587,493)	(99,695)	123,175
Pension reserve	(1,361,000)	-	(123,000)	740,000	(744,000)
	(1,077,483)	2,526,846	(2,710,493)	640,305	(620,825)
<b>Restricted fixed asset funds</b>					
Transferred on conversion	2,715,331	-	(81,060)	-	2,634,271
DfE / ESFA capital grants	8,403	15,086	(2,025)	(15,086)	6,378
Capital expenditure from GAG	130,326	-	(32,712)	114,781	212,395
	2,854,060	15,086	(115,797)	99,695	2,853,044
<b>Total restricted funds</b>	<b>1,776,577</b>	<b>2,541,932</b>	<b>(2,826,290)</b>	<b>740,000</b>	<b>2,232,219</b>
<b>Unrestricted funds</b>					
General funds	291,002	130,907	(68,965)	-	352,944
<b>Total funds</b>	<b>2,067,579</b>	<b>2,672,839</b>	<b>(2,895,255)</b>	<b>740,000</b>	<b>2,585,163</b>



# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 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 2017.

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.

Other restricted funds include Troops 2 School funding, recharges and grants for the grounds.

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 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. Transfers between these funds are reflected 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 general and unrestricted funds were £476,119 at 31 August 2017.

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 16 Funds

(Continued)

#### Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant	328,502	1,979,038	(1,909,342)	(115,004)	283,194
Other DfE / ESFA grants	-	333,109	(333,109)	-	-
Other government grants	-	199,421	(199,421)	-	-
Other restricted funds	-	120,293	(119,970)	-	323
	<u>328,502</u>	<u>2,631,861</u>	<u>(2,561,842)</u>	<u>(115,004)</u>	<u>283,517</u>
Funds excluding pensions	328,502	2,631,861	(2,561,842)	(115,004)	283,517
Pension reserve	(531,000)	-	(43,000)	(787,000)	(1,361,000)
	<u>(202,498)</u>	<u>2,631,861</u>	<u>(2,604,842)</u>	<u>(902,004)</u>	<u>(1,077,483)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	2,796,391	-	(81,060)	-	2,715,331
DfE / ESFA capital grants	10,428	10,420	(2,025)	(10,420)	8,403
Capital expenditure from GAG	21,122	-	(16,220)	125,424	130,326
	<u>2,827,941</u>	<u>10,420</u>	<u>(99,305)</u>	<u>115,004</u>	<u>2,854,060</u>
<b>Total restricted funds</b>	<u>2,625,443</u>	<u>2,642,281</u>	<u>(2,704,147)</u>	<u>(787,000)</u>	<u>1,776,577</u>
<b>Unrestricted funds</b>					
General funds	<u>240,379</u>	<u>119,145</u>	<u>(68,522)</u>	<u>-</u>	<u>291,002</u>
<b>Total funds</b>	<u>2,865,822</u>	<u>2,761,426</u>	<u>(2,772,669)</u>	<u>(787,000)</u>	<u>2,067,579</u>

### 17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	2,853,044	2,853,044
Current assets	352,944	425,320	-	778,264
Creditors falling due within one year	-	(302,145)	-	(302,145)
Defined benefit pension liability	-	(744,000)	-	(744,000)
	<u>352,944</u>	<u>(620,825)</u>	<u>2,853,044</u>	<u>2,585,163</u>

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	2,854,060	2,854,060
Current assets	291,002	549,310	-	840,312
Creditors falling due within one year	-	(265,793)	-	(265,793)
Defined benefit pension liability	-	(1,361,000)	-	(1,361,000)
	<u>291,002</u>	<u>(1,077,483)</u>	<u>2,854,060</u>	<u>2,067,579</u>

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

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

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

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

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £163,221 (2016: £171,705).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit 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	2017 £	2016 £
Employer's contributions	79,000	74,000
Employees' contributions	33,000	31,000
Total contributions	112,000	105,000

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.9	3.4
Rate of increase for pensions in payment	1.9	1.9
Discount rate	2.5	2.0
Inflation assumption (CPI)	1.9	1.9

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Pensions and similar obligations

(Continued)

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

	2017 Years	2016 Years
Retiring today		
- Males	22.8	23.1
- Females	24.9	25.6
Retiring in 20 years		
- Males	25.0	25.3
- Females	27.2	28.0

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

	2017 £	2016 £
Discount rate + 0.1%	2,129,000	2,443,000
Discount rate - 0.1%	2,243,000	2,557,000
Mortality assumption + 1 year	2,120,000	2,421,000
Mortality assumption - 1 year	2,250,000	2,578,000
CPI rate + 0.1%	2,220,000	2,534,000
CPI rate - 0.1%	2,150,000	2,465,000

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

	2017 Fair value £	2016 Fair value £
Equities	1,139,831	970,714
Government bonds	-	9,104
Corporate bonds	1,441	9,104
Cash	184,448	66,004
Property	92,224	83,074
Other assets	23,056	-
Total market value of assets	1,441,000	1,138,000
Actual return on scheme assets - gain/(loss)	220,000	150,000

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

<b>18</b>	<b>Pensions and similar obligations</b>	<b>(Continued)</b>	
	<b>Amounts recognised in the statement of financial activities</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Current service cost	176,000	99,000
	Interest income	(24,000)	(36,000)
	Interest cost	50,000	54,000
	<b>Total operating charge</b>	<b>202,000</b>	<b>117,000</b>
	<b>Changes in the present value of defined benefit obligations</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Obligations at 1 September 2016	2,499,000	1,417,000
	Current service cost	176,000	99,000
	Interest cost	50,000	54,000
	Employee contributions	33,000	31,000
	Actuarial (gain)/loss	(544,000)	901,000
	Benefits paid	(29,000)	(3,000)
	<b>At 31 August 2017</b>	<b>2,185,000</b>	<b>2,499,000</b>
	<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Assets at 1 September 2016	1,138,000	886,000
	Interest income	24,000	36,000
	Actuarial gain	196,000	114,000
	Employer contributions	79,000	74,000
	Employee contributions	33,000	31,000
	Benefits paid	(29,000)	(3,000)
	<b>At 31 August 2017</b>	<b>1,441,000</b>	<b>1,138,000</b>

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

19 Reconciliation of net expenditure to net cash flows from operating activities	2017 £	2016 £
Net expenditure for the reporting period	(222,416)	(11,243)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(15,086)	(10,420)
Investment income receivable	(418)	(703)
Defined benefit pension costs less contributions payable	97,000	25,000
Defined benefit pension net finance cost	26,000	18,000
Depreciation of tangible fixed assets	115,797	99,305
Decrease/(increase) in debtors	22,196	(51,806)
Increase in creditors	36,352	86,473
<b>Net cash provided by operating activities</b>	<b>59,425</b>	<b>154,606</b>

### 20 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	933	910
Amounts due in two and five years	933	725
	<u>1,866</u>	<u>1,635</u>

### 21 Capital commitments

	2017 £	2016 £
Expenditure contracted for but not provided in the accounts	-	25,305

### 22 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.

No related party transactions took place during the year.

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2017*

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### **23 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.