

Company Registration No. 08693259 (England and Wales)

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

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2018**

# SKELTON PRIMARY SCHOOL

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# SKELTON PRIMARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Members</b>	C Farrel E McLeod M Brayshaw
<b>Trustees</b>	C Farrel (Vice Chair) E McLeod (Chair) S Walker (Principal and Accounting Officer) A Oswald (Resigned 19 September 2017) M Brayshaw T Hill (Co-opted) J Shields (Staff Trustee) L Stabler (Resigned 11 December 2017) J Woodhead (Resigned 21 May 2018) J Garratt L Allan J Brallisford (Appointed 16 July 2018) G Bland (Co-opted) (Appointed 22 January 2018)
<b>Senior management team</b>	
- Headteacher	S Walker
- Deputy Headteacher	L Krywiczjanin
- Assistant Headteacher	N Chapman
- Assistant Headteacher	A Woolf
- Assistant Headteacher	S Newson
- School Business Manager	D Chadwick
<b>Company registration number</b>	08693259 (England and Wales)
<b>Registered office</b>	Station Lane Skelton Saltburn by the Sea TS12 2LR
<b>Independent auditor</b>	Baldwins Audit Services Wynyard Park House Wynyard Avenue Wynyard TS22 5TB
<b>Bankers</b>	Lloyds Bank plc 37 Westgate Guisborough TS14 6BD
<b>Solicitors</b>	BHP Law LLP Gloucester House 72 Church Road Stockton on Tees TS18 1TW

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2018

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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 2017 to 31st August 2018. 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 582 in the school census in January 2018.

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

##### Constitution

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

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

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

##### Members' liability

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

##### Trustees' indemnities

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

##### Method of recruitment and appointment or election of trustees

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

##### Policies and procedures adopted for the induction and training of trustees

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

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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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 two sub committees, each committee has a member of the SLT to act in an advisory capacity – each committee has its own remit. Depending on the committee remit, decisions can be made at subcommittee or full governing body level. All decisions that have a financial implication are made in line with the School's Finance Handbook. The budget is approved by the Full Governing Body. The Governors are responsible for the strategic management of the school; approving and setting key aspects of the school, including strategic direction, annual budget, recruitment of senior members of staff, policy changes etc. The Head teacher and staff are responsible for the operational management. School policies are developed by senior members of the school staff to reflect both the strategic direction agreed by the Governors and statutory requirements. Policies are approved and adopted by the Governing Body and implemented as procedures by the SLT and Management Team.

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

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

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

#### **Head Teacher**

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

Head Teacher in post

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

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

#### **Deputy & Assistant Head teacher**

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

#### **Support staff**

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

#### **Trade union facility time**

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

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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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 2018

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#### Objectives, strategies and activities

Skelton Primary School became an academy on November 1st 2013. It has 568 on role with two nurseries and three-form entry in all year groups. Key areas for reflection and celebration in 2017/18 include:

#### **Child Wellbeing**

- Nurture, counselling, Care Team & inclusion provision
- Additional training in speech and language intervention, sensory processing, CAMHS mental health, Friends for Life and Autism to meet the current needs of the children
- Gained adoption friendly beacon status with Andy & THRIVE.

#### **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 teaching & learning, eco, UNICEF, hospitality and community
- Year 6 role models – trays, ties, shirts

#### **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
- Parent partnership – ideas taken into consideration and addressed e.g. homework

#### **Staffing**

- Quality of teaching staff & dynamic of staffing structure nurturing year group identity and development
- Clear and robust inductions for NQTs and other new staff
- 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 power failure, adverse winter weather conditions and roof repair.
- Networking with local schools within the North East Teaching Alliance and other Outstanding schools

#### **Standards**

- Personalised learning to meet the needs of our young children, a significant percentage of whom join us well below expected levels
- Successful OFSTED 2016
- 5 Rs introduced

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

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

#### Public benefit

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

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

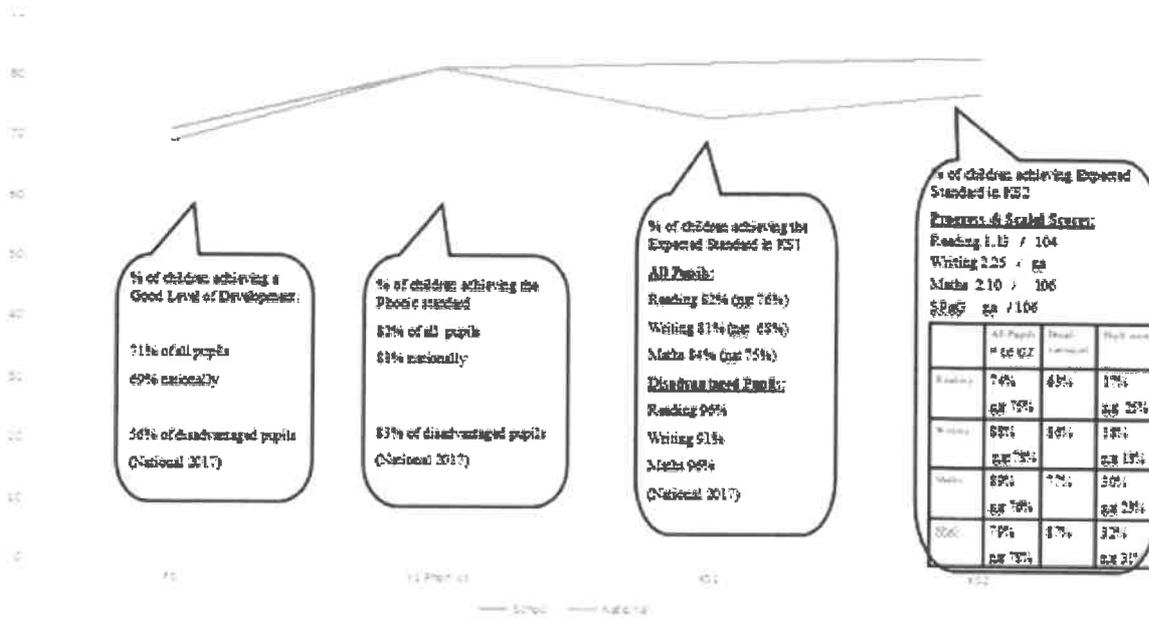
### Strategic report

#### 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

Attainment in EYFS, KS1 and KS2



# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 2018 In house attainment data: Year N-6:

		<b>Maths</b>																			
All Pupils	No	Autumn						Spring						Summer							
		Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better	Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better	Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better		
Nurs (N2)	65	5%	24%	53%	19%	N/A	95%	2%	17%	57%	25%	N/A	98%	↑	2%	13%	63%	22%	N/A	98%	↑
Reception	61	10%	29%	49%	7%	N/A	81%	7%	17%	44%	32%	N/A	93%	↑	18%	2%	77%	3%	N/A	82%	↑
Year 1	78	13%	12%	75%	0%	0%	87%	14%	12%	74%	0%	0%	86%	↓	13%	13%	67%	0%	0%	87%	↑
Year 2	68	15%	13%	72%	0%	0%	85%	15%	13%	63%	9%	0%	85%	→	13%	4%	66%	16%	0%	87%	↑
Year 3	68	5%	30%	64%	2%	0%	95%	3%	30%	61%	6%	0%	97%	↑	0%	16%	66%	18%	0%	100%	↑
Year 4	82	9%	21%	65%	5%	0%	91%	11%	28%	57%	4%	0%	89%	↓	26%	9%	50%	18%	0%	74%	↓
Year 5	73	14%	15%	68%	3%	0%	86%	15%	14%	68%	3%	0%	85%	↓	14%	11%	60%	15%	0%	86%	→
Year 6	77	4%	27%	20%	49%	0%	96%	9%	13%	67%	11%	0%	91%	↓	4%	9%	65%	22%	0%	96%	↑

		<b>Reading</b>																			
All Pupils	No	Autumn						Spring						Summer							
		Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better	Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better	Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better		
Nurs (N2)	65	8%	20%	56%	15%	N/A	92%	3%	23%	45%	28%	N/A	97%	↑	3%	17%	56%	24%	N/A	97%	↑
Reception	61	31%	34%	31%	5%	N/A	69%	12%	14%	42%	32%	N/A	88%	↑	26%	10%	59%	11%	N/A	80%	↑
Year 1	78	15%	9%	76%	0%	0%	85%	16%	9%	74%	1%	0%	84%	↓	15%	9%	60%	15%	0%	85%	↓
Year 2	68	18%	9%	73%	0%	0%	82%	16%	6%	64%	13%	0%	84%	↑	13%	4%	62%	21%	0%	87%	↑
Year 3	66	11%	23%	66%	0%	0%	89%	11%	20%	70%	0%	0%	89%	↑	0%	19%	57%	24%	0%	100%	↑
Year 4	82	13%	23%	65%	0%	0%	88%	16%	25%	41%	19%	0%	84%	↓	17%	22%	46%	15%	0%	83%	↓
Year 5	73	18%	19%	63%	0%	0%	82%	19%	19%	58%	4%	0%	81%	↓	16%	21%	49%	14%	0%	84%	↑
Year 6	77	15%	13%	25%	47%	0%	85%	15%	23%	36%	27%	0%	85%	→	3%	13%	59%	26%	0%	97%	↑

		<b>Writing</b>																			
All Pupils	No	Autumn						Spring						Summer							
		Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better	Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better	Below	On Track	At	Exc / Mastery	Above / G&T	% on track or better		
Nurs (N2)	65	8%	34%	46%	12%	N/A	92%	3%	22%	55%	20%	N/A	97%	↑	3%	22%	54%	21%	N/A	97%	↑
Reception	61	29%	34%	31%	7%	N/A	71%	10%	19%	56%	15%	N/A	90%	↑	21%	8%	69%	2%	N/A	79%	↑
Year 1	78	19%	9%	71%	1%	0%	81%	18%	12%	68%	1%	0%	82%	↑	17%	13%	62%	9%	0%	83%	↑
Year 2	68	19%	13%	67%	0%	0%	81%	18%	16%	60%	7%	0%	84%	↑	15%	6%	72%	7%	0%	85%	↑
Year 3	68	6%	31%	63%	0%	0%	94%	6%	26%	67%	2%	0%	94%	↑	1%	15%	70%	13%	0%	99%	↑
Year 4	82	13%	18%	70%	0%	0%	88%	15%	22%	52%	11%	0%	85%	↓	20%	15%	57%	9%	0%	80%	↓
Year 5	73	23%	16%	58%	3%	0%	77%	23%	18%	56%	3%	0%	77%	→	16%	25%	47%	12%	0%	84%	↑
Year 6	77	23%	11%	63%	4%	0%	77%	17%	32%	43%	8%	0%	83%	↑	8%	4%	70%	18%	0%	92%	↑

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### Progress Data (over time)

		PROGRESS TO DATE		
<b>Year 6</b>	Overall	<b>Reading (12)</b>	<b>Writing (12)</b>	<b>Maths (12)</b>
	Girls	Good	Good	Good
	Boys	Good	Good	Good
<b>Year 5</b>	Overall	<b>Reading (9)</b>	<b>Writing (9)</b>	<b>Maths (9)</b>
	Girls	Good	Good	Good
	Boys	Good	Good	Good
<b>Year 4</b>	Overall	<b>Reading (6)</b>	<b>Writing (6)</b>	<b>Maths (6)</b>
	Girls	Requires improvement	Requires improvement	Requires improvement
	Boys	Requires improvement	Requires improvement	Requires improvement
<b>Year 3</b>	Overall	<b>Reading (3)</b>	<b>Writing (3)</b>	<b>Maths (3)</b>
	Girls	Good	Good	Good
	Boys	Good	Good	Good
<b>Year 2</b>	Overall	<b>Reading (6)</b>	<b>Writing (6)</b>	<b>Maths (6)</b>
	Girls	Good	Good	Good
	Boys	Good	Good	Good
<b>Year 1</b>	Overall	<b>Reading (3)</b>	<b>Writing (3)</b>	<b>Maths (3)</b>
	Girls	Good	Good	Good
	Boys	Good	Good	Good
<b>Reception</b>	Overall	<b>Reading (6<sup>+</sup>)</b>	<b>Writing (6<sup>+</sup>)</b>	<b>Maths (6<sup>+</sup>)</b>
	Girls	Good	Good	Outstanding
	Boys	Good	Good	Outstanding
<b>Nursery</b>	Overall	<b>Reading</b>	<b>Writing</b>	<b>Maths (Number)</b>
	Girls	Good	Good	Outstanding
	Boys	Good	Good	Good

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Free school meals and Pupil Premium:

There is a gap in attainment for children leaving EYFS at GLD and children achieving a pass mark in their phonic screening test. At Key Stage 1, the gap in attainment has closed in Reading and Writing and disadvantaged children out performed 'others' nationally. At Key Stage 2, 77% of Disadvantaged pupils achieved the expected standard compared to 60% of 'Other' pupils nationally combined Reading Writing and Maths.

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

- Reading
- Thriving
- Leading

These areas will be targeted by investing in

- bespoke staff CPD
- governor training
- external school visits
- development of precise policies
- analysis for test results to identify school trends
- bespoke Leadership CPD around current scenarios
- resources and time for Thrive – including staff training
- more provision of language rich books
- developing the library area

### Going concern

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

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Financial review

The principal sources of income are the ESFA and the Local Authority. Total income for the 12-month period was £2,906,004 of which £2,560,501 (88%) came from ESFA, £218,080 (8%) came from the LA, £122,185 (4%) 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 replaced the floor in a Y2 classroom and replaced four wet areas in KS1. The lighting has been upgraded to LED in the staffroom and DT room. The FS1 outdoor area has been refurbished with the installation of tiger turf replacing the bark. The KS2 roof has been insulated and recovered new roof lights have been installed.

#### 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 £421,624. The school plans to use some of its reserves for capital works and to cushion the decrease in funding due to a fall in pupil numbers. School reserves are considered to be appropriate and sufficient to cope with any unforeseen contingencies.

#### Investment policy

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

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Principal risks and uncertainties

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

The principal risks have been identified as:

- Reputational – to continue to attract significant numbers of pupils by maintaining and improving educational standards
- ESFA Funding – there is no guarantee that government policy or practice will remain the same, policy changes could have a negative impact on funding levels
- Universal Infant Free School Meals – the introduction of UIFSM could potentially affect the level of funding if parents entitled to Free School Meals do not register their entitlement
- Transferring 0.5% of Schools Block allocation to authority to High Needs Block in FY 2018-19

### **Risk Management**

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

### **Fundraising**

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

# SKELTON PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Plans for future periods - where we will be in 2019/20**

**PUPILS** – Children confident in their understanding of the 5Rs and showing them in all they do.

**PARENTS** – electronic reporting through app – weekly updates on behaviour, achievement and attendance

**CURRICULUM** – foundation subject overall with a more topic-based approach and challenge throughout (use of Blooms taxonomy)

**STANDARDS** – above national in reading, writing and maths at the expected standard in KS1 and KS2. Phonics at National and GLD at national. NFER tests. Electronic tracking progress system in place. Foundation subject tracker being used.

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

**PERFORMANCE** – new appraisal system in place

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

**ENVIRONMENT** - Reggio Emilia inspired environments throughout school

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

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

**IT** – replaced projectors and whiteboards

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

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

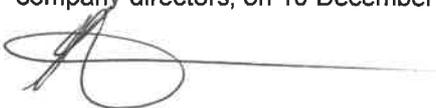
### **Auditor**

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2018 and signed on its behalf by:



E McLeod  
Chair

# SKELTON PRIMARY SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2018**

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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 5 times during the year. Attendance during the year of Board of Trustees was as follows:-

Trustees	Meetings attended	Out of possible
C Farrel (Vice Chair)	0	5
E McLeod (Chair)	4	5
S Walker (Principal and Accounting Officer)	5	5
A Oswald (Resigned 19 September 2017)	1	1
M Brayshaw	5	5
T Hill (Co-opted)	5	5
J Shields (Staff Trustee)	5	5
L Stabler (Resigned 11 December 2017)	1	1
J Woodhead (Resigned 21 May 2018)	4	4
J Garratt	5	5
L Allan	5	5
J Brallisford (Appointed 16 July 2018)	1	1
G Bland (Co-opted) (Appointed 22 January 2018)	4	4

# SKELTON PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### Governance Reviews

The strategic view has been revisited & reviewed, governor visits are well informed and established.

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

#### Finance

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

#### Premises, health and safety

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

# SKELTON PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### Staffing

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

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

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
S Walker (Accounting Officer)	5	5
C Farrel	0	5
A Oswald	1	1
L Stabler	1	1

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.

# SKELTON PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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	<ul style="list-style-type: none"> <li>• Whole staff THRASS spelling training</li> <li>• We have designed a teacher assessment APP</li> <li>• We have designed a parent comms app</li> </ul>	<p>Consistent strategies embedded in the teaching of spelling</p> <p>At a glance 'live' assessment data tool to plan from</p> <p>Parents informed of successes and behaviour incidents immediately</p>
Better purchasing	<ul style="list-style-type: none"> <li>• NESTA buy in at discounted price</li> </ul>	<p>Larger scale provider with more access to wider range of resources</p> <p>All staff trained and self assessing</p> <p>Greater knowledge of Ofsted inspection process.</p>
Targeted improvement	<ul style="list-style-type: none"> <li>• Whole school reading strategies on delivery skills, whole class reader and Accelerated Reader assessment</li> <li>• Additional Nurture staffing to support development of fine and gross motor skills in FS1 &amp; FS2</li> </ul>	<p>All PP groups making good or better progress</p> <p>Staff using feedback to engage more able pupils in challenging activity</p>
Benchmarking	<ul style="list-style-type: none"> <li>• Team leader release for standards monitoring and immediate action planning</li> <li>• Boosters &amp; interventions provided in all yr groups (incl for more able groups)</li> </ul>	<p>All PP groups making good or better progress</p> <p>Staff using feedback to engage more able pupils in challenging activity</p>
Economies of scale	<ul style="list-style-type: none"> <li>• NESTA shared CPD</li> <li>• Vertical grouping in Y1/2 and Y3/4</li> </ul>	<p>Shared moderation across local schools</p> <p>Maintaining value for money ratios of 1:25</p>

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Skelton Primary School for the period 1st September 2017 to 31st August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

# SKELTON PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **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 2017 to 31st August 2018 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 or medium risks were identified during the course of this internal assurance report. There was 1 low risk identified that represent a suggested improvement to procedures that are already working effectively. This is:-

1. Recommend that Governor attendance records are kept up to date

# SKELTON PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

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Internal Assurance –summer term schedule tested and reviewed:-

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

### Key Findings

No High or medium risks were identified during the course of this internal assurance report. There was 1 low risk identified that was also present on the last report we have now got a new SLA with Stockton Governor support so this will now be updated as part of the SLA.

1. Recommend that Governor attendance records are kept up to date

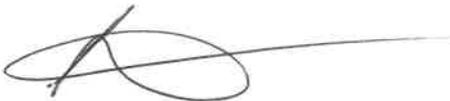
### Review of effectiveness

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 10 December 2018 and signed on its behalf by:



E McLeod  
Chair

S Walker  
Principal and Accounting Officer



# SKELTON PRIMARY SCHOOL

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

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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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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 Walker  
**Accounting Officer**

10 December 2018

# SKELTON PRIMARY SCHOOL

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees (who are also the directors of Skelton Primary School for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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:

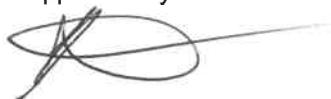
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 10 December 2018 and signed on its behalf by:



E McLeod  
Chair

# SKELTON PRIMARY SCHOOL

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### Opinion

We have audited the accounts of Skelton Primary School for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 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 2017 to 2018.

### 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.

# SKELTON PRIMARY SCHOOL

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

*FOR THE YEAR ENDED 31 AUGUST 2018*

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

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

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

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

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

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

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

### **Responsibilities of trustees**

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

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

### **Auditor's responsibilities for the audit of the accounts**

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

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

# SKELTON PRIMARY SCHOOL

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Use of our report**

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



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

10 December 2018

**Statutory Auditor**

Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

# SKELTON PRIMARY SCHOOL

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

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

This report is made solely to 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

# SKELTON PRIMARY SCHOOL

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

**FOR THE YEAR ENDED 31 AUGUST 2018**

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



**Reporting Accountant**  
Baldwins Audit Services

Dated: 10 December 2018

# SKELTON PRIMARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £	Total 2017 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	3,550	-	249,599	253,149	20,102
Charitable activities:						
- Funding for educational operations	4	49,204	2,530,670	-	2,579,874	2,559,914
Other trading activities	5	72,646	-	-	72,646	92,405
Investments	6	335	-	-	335	418
<b>Total</b>		<b>125,735</b>	<b>2,530,670</b>	<b>249,599</b>	<b>2,906,004</b>	<b>2,672,839</b>
<b>Expenditure on:</b>						
Raising funds	7	57,055	-	-	57,055	68,965
Charitable activities:						
- Educational operations	8	-	2,845,380	136,467	2,981,847	2,826,290
<b>Total</b>	<b>7</b>	<b>57,055</b>	<b>2,845,380</b>	<b>136,467</b>	<b>3,038,902</b>	<b>2,895,255</b>
<b>Net income/(expenditure)</b>		<b>68,680</b>	<b>(314,710)</b>	<b>113,132</b>	<b>(132,898)</b>	<b>(222,416)</b>
Transfers between funds	16	-	209,189	(209,189)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	18	-	156,000	-	156,000	740,000
<b>Net movement in funds</b>		<b>68,680</b>	<b>50,479</b>	<b>(96,057)</b>	<b>23,102</b>	<b>517,584</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		352,944	(620,825)	2,853,044	2,585,163	2,067,579
Total funds carried forward		421,624	(570,346)	2,756,987	2,608,265	2,585,163

# SKELTON PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2017
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	3,930	1,086	15,086	20,102
Charitable activities:					
- Funding for educational operations	4	63,233	2,496,681	-	2,559,914
Other trading activities	5	63,326	29,079	-	92,405
Investments	6	418	-	-	418
<b>Total</b>		<b>130,907</b>	<b>2,526,846</b>	<b>15,086</b>	<b>2,672,839</b>
<b>Expenditure on:</b>					
Raising funds	7	68,965	-	-	68,965
Charitable activities:					
- Educational operations	8	-	2,710,493	115,797	2,826,290
<b>Total</b>	<b>7</b>	<b>68,965</b>	<b>2,710,493</b>	<b>115,797</b>	<b>2,895,255</b>
<b>Net income/(expenditure)</b>		<b>61,942</b>	<b>(183,647)</b>	<b>(100,711)</b>	<b>(222,416)</b>
Transfers between funds	16	-	(99,695)	99,695	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	18	-	740,000	-	740,000
<b>Net movement in funds</b>		<b>61,942</b>	<b>456,658</b>	<b>(1,016)</b>	<b>517,584</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		291,002	(1,077,483)	2,854,060	2,067,579
Total funds carried forward		352,944	(620,825)	2,853,044	2,585,163

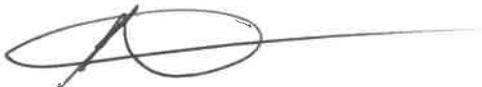
# SKELTON PRIMARY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		2,756,987		2,853,044
<b>Current assets</b>					
Debtors	13	183,873		165,900	
Cash at bank and in hand		726,541		612,364	
		<u>910,414</u>		<u>778,264</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(391,136)		(302,145)	
<b>Net current assets</b>			<u>519,278</u>		<u>476,119</u>
<b>Net assets excluding pension liability</b>			<u>3,276,265</u>		<u>3,329,163</u>
Defined benefit pension scheme liability	18		(668,000)		(744,000)
<b>Net assets</b>			<u><u>2,608,265</u></u>		<u><u>2,585,163</u></u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			2,756,987		2,853,044
- Restricted income funds			97,654		123,175
- Pension reserve			(668,000)		(744,000)
<b>Total restricted funds</b>			<u>2,186,641</u>		<u>2,232,219</u>
<b>Unrestricted income funds</b>	16		<u>421,624</u>		<u>352,944</u>
<b>Total funds</b>			<u><u>2,608,265</u></u>		<u><u>2,585,163</u></u>

The accounts on pages 26 to 47 were approved by the trustees and authorised for issue on 10 December 2018 and are signed on their behalf by:



E McLeod  
Chair

Company Number 08693259

# SKELTON PRIMARY SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

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	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	19		(95,347)		59,425
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		335		418	
Capital grants from DfE Group		249,599		15,086	
Purchase of tangible fixed assets		(40,410)		(114,781)	
<b>Net cash provided by/(used in) investing activities</b>			<u>209,524</u>		<u>(99,277)</u>
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>			114,177		(39,852)
Cash and cash equivalents at beginning of the year			<u>612,364</u>		<u>652,216</u>
<b>Cash and cash equivalents at end of the year</b>			<u><u>726,541</u></u>		<u><u>612,364</u></u>

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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

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

#### 1.2 Going concern

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

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

#### 1.3 Income

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

##### Grants

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

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

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

##### Sponsorship income

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

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

---

### 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.

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 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 or services it must provide.

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

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

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

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

#### 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 2018

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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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Private sponsorship	-	-	-	1,086
Capital grants	-	249,599	249,599	15,086
Other donations	3,550	-	3,550	3,930
	<u>3,550</u>	<u>249,599</u>	<u>253,149</u>	<u>20,102</u>

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,982,173	1,982,173	1,969,938
Other DfE group grants	-	330,417	330,417	330,983
	-	2,312,590	2,312,590	2,300,921
<b>Other government grants</b>				
Local authority grants	-	218,080	218,080	195,760
<b>Other funding</b>				
Catering income	35,323	-	35,323	37,689
Other incoming resources	13,881	-	13,881	25,544
	49,204	-	49,204	63,233
<b>Total funding</b>	49,204	2,530,670	2,579,874	2,559,914

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Catering income	156	-	156	743
Income received from pupils	1,487	-	1,487	2,410
Educational visits	36,332	-	36,332	23,153
Other income	34,671	-	34,671	66,099
	72,646	-	72,646	92,405

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	335	-	335	418

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
- Direct costs	9,377	-	47,678	57,055	68,965
Academy's educational operations					
- Direct costs	1,855,474	-	135,102	1,990,576	2,017,362
- Allocated support costs	260,796	535,018	195,457	991,271	808,928
	<u>2,125,647</u>	<u>535,018</u>	<u>378,237</u>	<u>3,038,902</u>	<u>2,895,255</u>
<b>Net income/(expenditure) for the year includes:</b>				<b>2018</b>	<b>2017</b>
				£	£
Fees payable to auditor for:					
- Audit				6,800	6,000
- Other services				5,000	7,535
Depreciation of tangible fixed assets				136,467	115,797
Net interest on defined benefit pension liability				18,000	26,000
				<u>180,274</u>	<u>155,332</u>
<b>8 Charitable activities</b>				<b>2018</b>	<b>2017</b>
				£	£
All from restricted funds:					
<b>Direct costs</b>					
Educational operations				1,990,576	2,017,362
<b>Support costs</b>					
Educational operations				991,271	808,928
				<u>2,981,847</u>	<u>2,826,290</u>
				<b>2018</b>	<b>2017</b>
				£	£
<b>Analysis of support costs</b>					
Support staff costs				260,796	281,339
Depreciation				136,467	115,797
Technology costs				5,067	16,703
Premises costs				398,551	163,676
Other support costs				132,527	152,318
Governance costs				57,863	79,095
				<u>991,271</u>	<u>808,928</u>

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2018	2017
	£	£
Wages and salaries	1,624,425	1,597,257
Social security costs	138,489	140,951
Pension costs	315,444	343,864
Staff costs	2,078,358	2,082,072
Agency staff costs	45,062	102,518
Staff restructuring costs	-	7,969
Staff development and other staff costs	2,227	1,449
Total staff expenditure	2,125,647	2,194,008

Staff restructuring costs comprise:

Redundancy payments	-	7,969
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#### Staff numbers

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

	2018	2017
	Number	Number
Teachers	72	73
Administration and support	4	4
Management	5	5
	81	82

#### Higher paid staff

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

	2018	2017
	Number	Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

#### 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 £318,617 (2017: £340,965).

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 10 Trustees' remuneration and expenses

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

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

S Walker (Headteacher)	
Remuneration	£70,001 - £75,000 (2017: 75,001 - £80,000)
Employer's pension contributions	£10,001 - £15,000 (2017: £10,001 - £15,000)
J Shields (Teacher)	
Remuneration	£30,001 - £35,000 (2017: £30,001 - £35,000)
Employer's pension contributions	£5,001 - £10,000 (2017: £1 - £5,000)
T Hill (Teacher)	
Remuneration	£30,001 - £35,000 (2017: £25,001 - £30,000)
Employer's pension contributions	£5,001 - £10,000 (2017: £1 - £5,000)

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

### 11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £1,225 (2017: £1,200).

### 12 Tangible fixed assets

	Buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2017	2,869,224	35,078	320,320	3,224,622
Additions	-	13,411	26,999	40,410
At 31 August 2018	2,869,224	48,489	347,319	3,265,032
<b>Depreciation</b>				
At 1 September 2017	201,791	18,419	151,368	371,578
Charge for the year	53,513	15,506	67,448	136,467
At 31 August 2018	255,304	33,925	218,816	508,045
<b>Net book value</b>				
At 31 August 2018	2,613,920	14,564	128,503	2,756,987
At 31 August 2017	2,667,433	16,659	168,952	2,853,044

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.

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

<b>13 Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	85
VAT recoverable	62,112	37,366
Prepayments and accrued income	121,761	128,449
	<u>183,873</u>	<u>165,900</u>
	<u><u>183,873</u></u>	<u><u>165,900</u></u>
<b>14 Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	258,987	151,077
Other taxation and social security	66,767	68,507
Accruals and deferred income	65,382	82,561
	<u>391,136</u>	<u>302,145</u>
	<u><u>391,136</u></u>	<u><u>302,145</u></u>
<b>15 Deferred income</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	36,927	43,317
	<u>36,927</u>	<u>43,317</u>
Deferred income at 1 September 2017	43,317	45,938
Released from previous years	(43,317)	(45,938)
Resources deferred in the year	36,927	43,317
	<u>36,927</u>	<u>43,317</u>
<b>Deferred income at 31 August 2018</b>	<u><u>36,927</u></u>	<u><u>43,317</u></u>

Deferred income is Universal Infants Free School Meals funding for the 2018/19 academic year, received in advance.

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 16 Funds

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

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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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 2018.

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

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

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

DfE/ESFA capital grants represent Devolved Formula Capital receivable during the period which has been spent on new equipment.

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

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

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

The academy's restricted general general and unrestricted funds were £519,278 at 31 August 2018.

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 16 Funds

(Continued)

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

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

### 17 Analysis of net assets between funds

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

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<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)
<b>Total net assets</b>	<b>352,944</b>	<b>(620,825)</b>	<b>2,853,044</b>	<b>2,585,163</b>

### 18 Pension and similar obligations

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

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

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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 2018

### 18 Pension 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 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £163,558 (2017: £163,221).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

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

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

<b>Total contributions made</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Employer's contributions	85,000	79,000
Employees' contributions	32,000	33,000
Total contributions	<u>117,000</u>	<u>112,000</u>

<b>Principal actuarial assumptions</b>	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.0	2.9
Rate of increase for pensions in payment/inflation	2.0	1.9
Discount rate for scheme liabilities	2.8	2.5
Inflation assumption (CPI)	<u>2.0</u>	<u>1.9</u>

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 18 Pension 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:

	2018 Years	2017 Years
Retiring today		
- Males	22.9	22.8
- Females	25.0	24.9
Retiring in 20 years		
- Males	25.1	25.0
- Females	27.3	27.2

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

The academy trust's share of the assets in the scheme	2018 Fair value £	2017 Fair value £
Equities	1,174,570	1,139,831
Corporate bonds	-	1,441
Cash	289,620	184,448
Property	123,893	92,224
Other assets	20,917	23,056
Total market value of assets	1,609,000	1,441,000

The actual return on scheme assets was £81,000 (2017: £220,000).

#### Amount recognised in the Statement of Financial Activities

	2018 £	2017 £
Current service cost	147,000	176,000
Interest income	(37,000)	(24,000)
Interest cost	55,000	50,000
Total operating charge	165,000	202,000

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations	(Continued)	
<b>Changes in the present value of defined benefit obligations</b>	<b>2018</b>	
	<b>£</b>	
At 1 September 2017	2,185,000	
Current service cost	147,000	
Interest cost	55,000	
Employee contributions	32,000	
Actuarial gain	(112,000)	
Benefits paid	(30,000)	
At 31 August 2018	2,277,000	
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2018</b>	
	<b>£</b>	
At 1 September 2017	1,441,000	
Interest income	37,000	
Actuarial gain	44,000	
Employer contributions	85,000	
Employee contributions	32,000	
Benefits paid	(30,000)	
At 31 August 2018	1,609,000	
<b>19 Reconciliation of net expenditure to net cash flow from operating activities</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(132,898)	(222,416)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(249,599)	(15,086)
Investment income receivable	(335)	(418)
Defined benefit pension costs less contributions payable	62,000	97,000
Defined benefit pension net finance cost	18,000	26,000
Depreciation of tangible fixed assets	136,467	115,797
(Increase)/decrease in debtors	(17,973)	22,196
Increase in creditors	88,991	36,352
<b>Net cash (used in)/provided by operating activities</b>	<b>(95,347)</b>	<b>59,425</b>

# SKELTON PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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### 20 Commitments under operating leases

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

	2018	2017
	£	£
Amounts due within one year	700	933
Amounts due in two and five years	-	933
	<u>700</u>	<u>1,866</u>
	<u><u>700</u></u>	<u><u>1,866</u></u>

### 21 Related party transactions

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

The academy trust purchased services from C Woolf, spouse of assistant head teacher A Woolf, totaling £554 (2017: £nil) during the period. The amounts outstanding at 31 August 2018 was £60 (2017: £nil). The academy trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mr A Woolf neither participated in, nor influenced. In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

### 22 Members' liability

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