

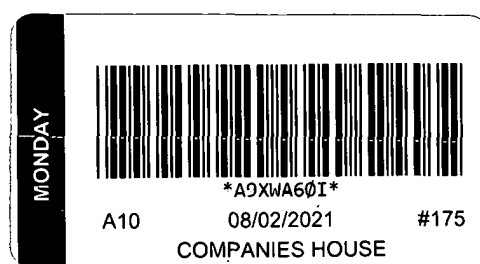
Registration number: 07431423

THE GOSFORTH FEDERATED ACADEMIES LIMITED

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020



The Gosforth Federated Academies Limited

Contents

Reference and Administrative Details	1 to 2
Trustees Report	3 to 21
Governance Statement	22 to 28
Statement on Regularity, Propriety and Compliance	29
Statement of Trustees' Responsibilities	30
Independent Auditor's Report on the Financial Statements	31 to 33
Independent Reporting Accountant's Report on Regularity	34 to 35
Statement of Financial Activities incorporating Income and Expenditure Account	36 to 37
Balance Sheet	38
Statement of Cash Flows	39
Notes to the Financial Statements	40 to 68

The Gosforth Federated Academies Limited

Reference and Administrative Details

Members

Mr Christopher Bell
Mr David Gregory* (deceased 9 October 2020)
Mrs Judy Storey
Mrs Kathryn Thomas

Mr. Gregory sadly passed away on October 9 2020, after many years of service at Gosforth as a Governor and latterly Chair of the Members' Group

Trustees (Directors)

Mr Roger Edwardson
Cllr Jackie Slesenger Greene
Mr John Hall
Mr Jeffrey Lough
Mr Geoff Norris
Mr George Snaith, Chair of the Trustees
Mrs Sophie Ashcroft

Chief Executive Officer

Mr Hugh Robinson

Company Secretary

Mrs Christine Edwardson

Senior Management Team

Mr Hugh Robinson, Chief Executive and Accounting Officer
Mr David Sheppard, Chief Operating Officer and Chief Finance Officer
Mr Preit Chahal, Principal of Gosforth Academy
Mrs Corinne Raybould, Director of Projects
Mr Peter Snowdon, Acting Director of Post 16
Mrs Joanne Lowther, Director of Performance
Mrs Denise Waugh, Principal of Gosforth Junior High Academy
Mr Allon Welsh, Director of Curriculum
Mr Chris Duckett, Director of Communications
Mr Steve Campbell, Acting Headteacher of North Gosforth Academy
Mrs Karen Blackburn, Acting Headteacher of Jesmond Park Academy

Principal and Registered Office

Gosforth Academy
Knightsbridge
Great North Road
Gosforth
Newcastle Upon Tyne
NE3 2JH

The Gosforth Federated Academies Limited

Reference and Administrative Details (continued)

Company Name The Gosforth Federated Academies Limited

Company 07431423
Registration Number

Auditors MHA Tait Walker
 Bulman House
 Regent Centre
 Gosforth
 Newcastle upon Tyne
 NE3 3LS

Bankers HSBC Bank plc
 Central Square South
 Orchard Street
 Newcastle upon Tyne
 NE1 3AZ

 Nationwide Building Society
 PO Box 3
 5-11 St Georges Street
 Douglas
 Isle of Man
 IM99 1AS

Solicitors Watson Burton
 1 St James' Gate
 Newcastle Upon Tyne
 NE99 1YQ

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' Report, and a directors' report under company law.

The trust operates in the Gosforth and Heaton areas of Newcastle upon Tyne and in the Seaton Burn area of North Tyneside. The combined pupil numbers total is 4,947 as at the school census date of January 2020 (there was no May census due to the Covid-19 situation). Pupils are aged between 9 and 19 years.

Structure, Governance and Management

Constitution

The Gosforth Federated Academies Limited is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Academy Trust was incorporated on 5 November 2010 and commenced operating on 1 December 2010. The Articles of Association require the Members of the charitable company to appoint at least three Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy Trust. The Academy Trust has entered into a funding agreement with the Department for Education which provides the framework within which the Academy Trust must operate.

The Trustees act as directors for the Charitable Company for the purposes of company law and form the Governing Body.

The Charitable Company is known as Gosforth Federated Academies Limited.

The Charitable Company incorporates Gosforth Academy, Gosforth Junior High Academy, North Gosforth Academy and Jesmond Park Academy.

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

Members' Liability

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

Trustees' Indemnities

Every governor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any appointment in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

Method of Recruitment and Appointment or Election of Trustees (Directors) and Local Advisory Group members

In line with MAT expansion the Trustees agreed a new Governance structure which was approved by the Department for Education. As a result of this change from February 2018 there can be 5 Members. Members can appoint a maximum of 9 Trustees. Trustees can subsequently set up and appoint to a Local Advisory Group as required. The Local Advisory Groups for Gosforth Academy, Gosforth Junior High Academy, North Gosforth Academy and Jesmond Park Academy currently have provision for 5 Community representatives, 2 parent representatives and 2 staff representatives. Parent representatives are elected by the parent body and staff representatives are elected by the staff group. The Trustees have delegated certain powers to these Local Advisory Groups under a scheme of delegation which is reviewed annually. A parent representative must be a parent of a pupil at one of the Academies on election. The Chief Executive Officer shall be a Trustee for as long as he remains in office as such.

The Members are responsible for the appointment of all other Trustees and will use a variety of methods to recruit to vacancies as they arise. The Members may hold some vacancies to ensure they can recruit Trustees with specific skills at a time which is most beneficial to the organisation.

All Local Advisory Group members have a term of office of 3 years.

Policies and Procedures Adopted for the Induction and Training of Trustees (Directors) and Local Advisory Groups

On appointment Trustees will meet with the Chair who will provide an induction and they will be given an Induction Booklet

The Academy has a contract with Newcastle LA Governor Services which provides a Local Advisory Group clerking service, support and training for Trustees and Local Advisory Group members. Trustees and Local Advisory Group members receive a booklet detailing the Governor Training Programme together with a termly copy of the Newcastle LA "Governews" which highlights current changes in legislation together with CPD opportunities during the next term. There is a whole programme of training available which includes induction for new governors, Headteacher performance and reviewer training, safer recruitment and the role of governors in the monitoring the outcomes of pupils with special educational needs and disabilities and many more opportunities. The service also provides bespoke training and Trustees/Local Advisory Group members have participated in a training session for managing pupil discipline committee meetings, Exclusion and Independent Review training.

A number of the Members, Trustees and Local Advisory Groups were from the predecessor school and therefore are all highly experienced in school governance. The Trustees and each Local Advisory Group has a designated member responsible for safeguarding and for staff appointments at least one panel member will have successfully completed the Safer Recruitment training provided by an HR Lead Specialist from Newcastle Local Authority. Trustees and Local Advisory Group members have also undertaken safeguarding training. There is a contract in place with Newcastle Local Authority to provide training services to the board, Trustees can also request any additional training at need.

A Skills Audit has recently been carried out as recommended by the Competency Framework for Governance. The audit was a useful way of assessing the breadth of skills and knowledge of Trustees and Local Advisory Groups and enabled any gaps in knowledge, experience, skills and behaviours to be identified. It will be carried out on an annual basis and will also be used to identify training needs, for recruitment, for succession planning and for assigning committee members.

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

Organisational Structure

The Governing Body Handbook sets out the delegated responsibilities and terms of reference for the Full Governing Body and all committees. The Governing Body Scheme of Delegation and Decision Planner is reviewed and approved annually.

At school level a flat structure with distributed leadership is in operation which is based on the Dixons PLC industrial model. By using associate leaders in training posts the capacity of the organisation in increased at appropriate times. The current management team consists of the following posts with identified responsibilities:

Chief Executive and Accounting Officer

Chief Operating Officer and Chief Finance Officer

Director of Communications

Director of Curriculum

Director of Human Resources

Director of Junior School

Acting Head of school (Gosforth Academy)

Director of Performance

Acting Director of Post 16

Operational management of the Academy Trust is the role of the Chief Executive and Senior Leadership Team. The Senior Leadership Team consists of the Chief Executive, Chief Operating Officer and seven Directors. The wider Leadership Team extends to seven Assistant Directors with various delegated responsibilities including Finance and Premises. The Principal is also the Chief Executive has the role of the Accounting Officer. The person who held the post of Director of Finance and Support Services was the Company Secretary during the year and as from September 2018 continues in this role on a voluntary basis.

Arrangements for setting pay and remuneration of Key Management Personnel

The Trustees delegate significant authority or responsibility for the day to day running of the Academy Trust to the Principal and the Senior Leadership Team (as described in Organisational Structure). Their pay and remuneration is the responsibility of the Governors Salaries & Performance Committee. This Committee will meet to agree the pay recommendations of all staff including the Principal and Senior Leadership Team.

Although an Academy this committee has continued to follow the system of an agreed pay range for the Principal and Senior Leaders within a band on the Leadership spine. Senior Leaders will only be recommended for progression with their agreed pay range on successful completion of performance criteria as agreed by the Principal. The Principal has an agreed set of performance criteria and his performance is ratified by the Governing Body before any progression will be recommended.

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

The majority of Senior Leaders have for a number of years been at the top of their pay range however they are still subject to meeting their performance criteria annually although no pay progression is available at this time.

The Governors Salaries & Performance Committee can recommend a change in the pay range however when this has been considered in the past they have consulted legal support and sought benchmarking data to support any such change.

Trade Union Facility Time

Gosforth Academy, Gosforth Junior Academy, North Gosforth Academy and Jesmond Park Academy are covered by Local Authority de-delegation arrangements for Trade Union Facility time. These arrangements are reviewed annually.

Related Parties and other Connected Charities and Organisations

The company Sport@Gosforth Limited, company number 08014267 is a subsidiary of the Gosforth Federated Academies Ltd but remains a dormant company at the present time.

Gosforth Academy and Gosforth Junior High Academy are part of the Gosforth Pyramid of Schools comprising Primary and Middle Schools in the Gosforth area. The Pyramid gives a smooth transition for students across the 3 tier system and all schools work in close collaboration to ensure that subjects and initiatives are fully developed across phases. In addition, North Gosforth Academy is now part of the Academy Trust (joined in January 2017), along with Jesmond Park Academy (joined in August 2019).

The Academy Trust previously offered support to one of our local schools, Seaton Burn College. This help was part of our role as a National Support School rather than as a sponsoring academy. Subsequently, in January 2018 Seaton Burn College became part of the Academy Trust and was renamed North Gosforth Academy. The Academy Trust also offered support to another local school (Heaton Manor) who have now become part of Academy Trust in August 2019 and was renamed Jesmond Park Academy.

Engagement with employees (including disabled persons)

Each week the Principal at each school provides an update to all staff via Teams/email/physical briefing which, amongst other things, provides updates on any matters of concern that have been raised by staff and what is being done/has been done to address this. It also provides useful information of which staff need to be made aware. Notes from these meetings are then circulated to all staff.

Where individual matters of concern are raised via informal discussions or through formal processes, these matters are dealt with on an individual basis. During lockdown any such communication was done via Teams/email.

Where any changes are to be made that are likely to affect the interests of individuals, both Unions and individuals are fully consulted. Principals have an open door policy and actively encourage feedback from staff and Unions, either face to face or via email, which is fed directly to the Executive Team if appropriate.

Plans for the future include formalising these mechanisms as the trust grows via a JNCC with the Unions, staff forum and suggestions and ideas scheme.

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

At the beginning of the academic year, all staff are briefed in relation to the academic performance of the school and informed of targets for the coming academic year. Any additional updates are provided within the weekly briefing or on FROG (our MAT virtual Teaching, Learning and information storage environment). Updates are provided by the Principals and or Executive Team as and when appropriate.

The Recruitment and Selection Code of Practice details how we ensure an inclusive, fair recruitment process from advertising to appointment. Where a candidate has indicated that he/she wishes for adjustments need to be made for him/her to the recruitment process, reasonable adjustments are made.

There is an Equality and Diversity Policy applicable to each school within the MAT, which documents the MAT's commitment to fair treatment and equal opportunities for all including those with disabilities throughout the employment lifecycle. This includes employees who become disabled whilst working for us. Where necessary, reasonable adjustments will be made, including adjustments to the workplace, policies and procedures and buying any additional equipment necessary to support colleagues at work.

Objectives and Activities

Objects and Aims

Students completing Key Stage 2 examinations at the Junior High Academy should be aiming to make the required levels of progress that lead to further academic success. A confidence curriculum is now well established although we continue to further develop this educational strand, the aim being to ensure that progress is made between entry in Y5 and Y8 move to the Main Academy.

The Academy expects the highest standards from all of our staff and students. We believe that the current outstanding judgements given to both Gosforth Academy and Gosforth Junior High Academy in the most recent Ofsted inspections (May 2015) will only be maintained if we all accept the challenge to develop and that the students strive to excel in all that they do. Similarly, we accept that improvements in standards at North Gosforth Academy and Jesmond Park Academy will only be achieved by our pursuit of and insistence of the very highest standards from students and staff.

Curriculum development linked to continued professional development are the major strands used to ensure that our objectives and aims are achieved. We also aim to serve our broader community by using our sports and social facilities to enhance community usage.

The Governors commitment to provide a service to the families in Gosforth is clearly demonstrated by their decision to bid for funding to open new schools on the Newcastle Great Park and in the west of the city at Callerton (These new school would be part of the Gosforth Federated Academies Company). These bids were successful and the Academy Trust has started work on these projects. It is hoped that the new schools will be open in 2021.

Objectives, strategies and activities

The Praise Code underpins all issues regarding behaviour and effort. The code has proven itself to be both effective and popular. It is managed by the leaders of each school.

Our Director of Curriculum is developing a 5 year action plan that will ensure that progress is made. The CPD is linked so that it will support curriculum development.

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

We have seconded a member of the Senior Leadership Team to work as Project Director on the new schools projects at Gosforth Great Park and Callerton. A multi million pound injection into our three tier system must be managed with care and sensitivity.

In January 2017 the two classroom extension to the KS2 block at Gosforth Junior High Academy became operational. This £1.6 million investment from Newcastle City Council provided accommodation for the extra students joining us in Year 5. This block was funded from the basic need funding stream allocated to Newcastle City Council.

Public Benefit

The Academy Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

A successful Academy, working in harmony with its community, is the cornerstone of our strategic planning. The activities that are undertaken by the Charity and summarised in this report are for the benefit of the public.

The development of our Sport@Gosforth community sports centre has guaranteed community involvement with the Academy. The sports centre has over 650 members and thriving use of our facilities by local clubs and teams. Recently, we have replaced older gym equipment with new equipment.

Our successful bids for a free school was supported by more than 500 residents. As these plans develop we will be making sure that public benefit is part of our planning. The holiday club activities that operate on our current sites will be replicated at the Gosforth Great Park and Callerton sites.

Newcastle Council requested our help in securing a Capital Bid for a second new school to be built in the west of the city. In November 2018, representatives from the Trust met with New School Network colleagues to acquire their help in promoting this bid. Subsequently, our bid was successful.

Strategic Report

This has been another very successful year for Gosforth Federated Academies.

2020 Key figures

2020 KS2

Expected standard	Gosforth Junior High 2020
Reading	90%
Writing	86%
Maths	88%

Percentage of students beyond expected standard

- Reading – 53%
- Writing – 34%
- Maths – 42 %

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

KS4 2020

At KS4 we achieved best ever attainment figures across all headline measures. We are delighted for our students, with vast majority returning to study in the 6th form.

- Progress 8 = 0.41 (Using Sistra's 2020 data collection Wave 2)
- Attainment 8 = 54
- % of students achieving grade 5+ in English and Maths = 67%
- % of students entered for the EBacc = 67%
- % of students achieving the EBacc standard pass = 59%
- EBacc Average Points Score = 5.35

Additional information KS4 2020 results

- 82% of students achieved a standard pass (new grade 4+) in English and Maths
- 47% of students achieved the EBacc strong pass compared to national figure of 17% in 2019
- Many superb individual and subject successes.
- 90 students achieved an average grade or points score of 7 or above
- 390 Grade 9's were awarded - this was 10.3% of the total entries.
- 100 students achieved at least one grade 9.
- 4 students achieved a clean sweep of grade 9's in every subject.

KS5 2020

Another very successful year at post 16 with attainment headlines surpassing even that from an exceptional cohort in 2019.

	A*	A*/A	A*/B	A*-C	A*-E
2016	4%	20%	45%	75%	99.4%
2017	6%	23%	54.5%	82%	99.6%
2018	6%	24%	48%	79%	98.4%
2019	15%	34%	59%	85%	99.9%
2020	13%	34%	62%	86%	100%

Progress figures are based on the 2019 value added model

- A level progress = 0.20, Average grade = B
- Academic progress = 0.20, Average grade = B
- Applied general progress = 1.15, Average grade = Distinction
- English L2 progress = 0.5
- Maths L2 progress = 0.41

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

Additional information KS5 2020 results

- 246 students (77%) secured University / Conservatoire places [Sept 2020]
- 91 are off to prestigious Russel Group universities
- 10 students are beginning medicine courses
- 8 successful Oxbridge students

Key Performance Indicators

Ofsted

The last Ofsted inspection was in May 2015 when a monitoring inspection under Section 8 of the Education Act 2005 and in accordance with Ofsted's published procedures for inspecting schools with no formal designation was carried out. Both Gosforth Academy and Gosforth Junior High academy maintained their outstanding status achieved in the last full Ofsted inspections in 2008 and 2011 respectively.

Praise Code

The PRAISE code encourages the students to –

Perform

Reward

Achieve

Inspire

Succeed

Excel

The Praise Code underpins all issues regarding behaviour and effort. All students must carry their planner at all times and are rewarded with stamps for good work and comments for misbehaviour which are counted on a weekly basis by tutors. The students receive rewards during the year based on the number of stamps they have accumulated. Likewise the number of comments are recorded and may result in detention or the sanction in accordance with the Praise Code guidelines.

The table below shows the level of achievement for the students in the lower school at Gosforth Academy for the 2018/19 academic year and comparatives for 2019/20.

Total number of stamps awarded during the last two academic years is shown in the table below.

Total number of stamps awarded during the year	Year 9	Year 10	Year 11
2018/19	739,005	635,518	410394
2019/20	473,044	481,134	470,447

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

* Note – 2019/20 figures are lower than actual figures would have been due to school closures in March 2020 following the Covid pandemic.

The normal rewards presented on a termly basis are –

Autumn Term – Students achieving 500 stamps receive some Christmas chocolate.

Easter Term – Students achieving 1,000 stamps receive an Easter egg.

Summer Term – Students in Year 9 and 10 achieving 1,400 stamps have been awarded an Intu gift voucher and an ice-cream on the final day of the summer term. (not possible in 2019-20 due to Covid)

Certificates, departmental and pastoral postcards, senior staff visits to PRAISE lessons every Monday and Principal referrals are also part of our rewards system.

Financial

Income & Expenditure

KPI	2019/20	2018/19	2017/18
Total GAG Funding	£24,983,478	£12,994,411	£12,994,411
Students per October PLASC	5,200	4,743	2,407 (plus 515 NGA)
GAG Income per student	£4,805	£3,182	£4,447
Expenditure per student	£5,745	£3,233	£5,570

Staffing

KPI	2019/20	2018/19	2017/18
Total Staff Costs	£22,660,499	£14,146,053	£11,749,062
Salary costs as % of GAG Income	91%	94%	90%

Salary costs as a % of GAG Income is 91% which is 3% less than last year and 11% more than the target of 80%. The target is based on Total Income which includes consultancy income and grants /received to compensate for salaries of those working on other projects and the cost of back fill.

Gosforth Federated Academies continue to follow national guidance on Pay and Conditions for all staff.

The Senior Leadership Team will continue to review all staff positions when they become available and to consider whether the role needs to be replaced or whether alternative arrangements can be made

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

Community

KPI	2019/20	2018/19	2017/18
Sport @ Gosforth Members	Average 511 up to April 2020	650	667
Sport @ Gosforth Income	£169,896	£277,622	£254,985

Notes: The Sport @ Gosforth membership has fallen and is being monitored. Covid19 has impacted on membership and since re-opening membership has fallen to 367.

Capital

KPI	2019/20	2018/19	2017/18
Capital Grant funding received	£99,908	£210,931	£71,343
Donated Classrooms/ICT Equipment	£nil	£nil	£nil
Capital expenditure in year	£715,047	£660,215	£325,957
Capital expenditure per student	£138	£112	£773

Notes: Devolved Formula Capital has been received from the ESFA as in previous years. We were successful on obtaining CIF and Salix funding to support building improvements at North Gosforth Academy for 2019/20 and 2020/21.

Investment

In accordance with the Investments Policy the Academy Trust holds cash funds in a deposit account. There is a surplus following the payment of day to day working costs and expenditure on capital projects. Cash balances continue to be monitored and investments reviewed.

Going concern

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

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

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

Promoting the success of the company

Under section 172(1)(a) to (f) of the Companies Act 2006, directors of a company must act in a way most

- likely to promote the success of the company, and in doing so must have regard to:
- the likely consequences of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct
- the need to act fairly as between members of the company

The Trustees believe they have acted to best promote the success and sustainability of the Trust for the benefit of all its stakeholders.

As a result of delivering outstanding education provision, there continues to be a high demand for school places and a subsequent growth in pupil numbers in all the Trusts schools. This growth will continue within the MAT as the Trust looks forward to the opening of two new schools in 2021/22.

The Trust recognises that the employees are key to its success and are committed to investing in their development and supporting advancement opportunities within the Trust.

Financial Review

Income

Most of the Academy's income is obtained from the EFA in the form of General Annual Grant (GAG) and other recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year to 31 August 2020 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

Other income received included small Local Authority grants, interest from investments (as mentioned in KPI section) other small elements of other income including premises lettings and sports facilities (also mentioned in KPI section).

The total income received, less any transfers on conversion, for the year was £30,070,000.

Expenditure

The total expenditure on staffing is £22,660,000. As stated in the KPI notes there have been mandatory increases to salaries and pension scheme auto enrolment which have resulted in increased staffing costs. The adjustment of LGPS Operating Costs totalling £1,030,000 (£630,000 in 2019) in accordance with FRS102 has also increased the staffing costs this year.

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

The Praise code remains a key objective of the school and underpins all issues regarding behaviour and effort. A budget of £18,000 was allocated to Gosforth Academy and £10,000 at Gosforth Junior High Academy. Expenditure included the purchase of student planners, student reward purchases, resources such as praise stamps and postcards. In 2019/20 budget pressures have resulted in changes to the Praise rewards being awarded to the students.

The Confidence Curriculum programme at Gosforth Junior High Academy continues to be developed in order to assist the progress of KS2 students. A budget of £10,000 was allocated to the project with expenditure on activities including educational visits, cookery, tennis coaching, first aid course and dance coaching.

There were compulsory new specifications made to the Curriculum therefore additional resources were required by many subject departments at Gosforth Academy. An additional budget allocation was made available to the affected departments so that they could be fully resourced ahead of the commencement of the changes in September 2018.

Expenditure includes Depreciation charged on fixed assets which totals £503,000

Finance costs relating to the LGPS pension scheme FRS102 adjustment total £140,000.

The total costs for the year total £29,874,000 which results in an overall surplus for the year of £196,000, excluding the fixed assets and pension deficit transferred on conversion.

Pension Scheme

The actuarial gain on the LGPS pension scheme was £1,220,000 and the defined benefit pension scheme liability of £13,420,000 is consistent with the current financial climate and is an industry wide issue. The actuarial valuation is expected to continue to fluctuate in forthcoming years until the economy stabilises.

Fund balances

The Academy held fund balances at 31 August 2020 of £34,509,000 comprising £45,497,000 restricted fixed asset funds and restricted non fixed asset funds of £(222,000) including the pension deficit of £(13,420,000) together with unrestricted reserves of £2,210,000.

Investments

Interest received on funds in bank deposit accounts totalled £6,000 and balance held in the deposit accounts at the financial year end was £3,422,000.

Future considerations

Student numbers continue to grow so lagged funding will remain a concern.

Careful management of the budget will be required in order to achieve budget surpluses, support improvement plans and maintain reserves.

There will be continued uncertainty relating to the actuarial valuation of the LGPS pension scheme and the impact it will have on the academy financial results. This impact increases as the Trust grows.

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

We will continue to explore other revenue sources in order to support expenditure. This includes providing support on a consultancy basis to other schools, applying for available grant funding to support our various projects and lettings.

We will review expenditure for value for money and take advantage of the growing MAT to obtain economies of scale for all the schools within our Trust.

Financial Management Policies

Trustees continue to review and adopt appropriate policies in order to support good financial management and practice within the Trust.

Reserves Policy

The Academy held fund balances at 31 August 2020 of £34,509,000 comprising £45,497,000 restricted fixed asset funds and restricted non fixed asset funds of £(222,000) including the pension deficit of £(13,420,000) together with unrestricted reserves of £2,210,000.

All restricted general funds come via grants received both from the ESFA and the Local Authority. The restricted general funds balance comprises ESFA Project Related Grant awarded for expenditure on the Gosforth Great Park Academy project £181,000; start up grants of £38,000 and the Swires fund of £3,000.

The restricted pension fund deficit balance is £(13,420,000) following the actuarial valuation of the Local Government Pension Scheme and incorporates the in year loss of £4,240,000. The disclosure of the pension fund deficit does not mean that an immediate liability for this amount crystallises and in particular does not mean that the equivalent amount is committed and not available to spend on the Academy objectives. However, the Senior Leadership Team and Trustees may need to consider the effect on cash flow and reserves in terms of any future increase in contributions made to the scheme.

The unrestricted funds incorporate other income including interest receivable on the bank deposit account, uniform shop, trips, lettings and sports facility income.

The net surplus total of restricted general funds of £nil,000 and unrestricted funds of £486,000 is £486,000. The Trustees intend to build up a prudent level of reserves over a period of time in accordance with the Investment & Reserves Policy which is reviewed annually.

The target level of reserves is considered as part of the review of the Investment & Reserves Policy and current target is set at £2,256,000.

Therefore, the current value of the total restricted and unrestricted funds is £486,000 below the target level of reserves. The Senior Leadership Team and Trustees have set a surplus budget for 2020/21 which if achieved will increase the level of reserves and will help the Academy move towards the target level of reserves. Regular review of the management reports, cash flow forecasts and investment reports will help monitor progress during the financial year. Although future uncertainties surrounding income and expenditure, cash flow and working capital requirements will need to be considered.

Investment Policy

The Board of Trustees have approved an Investment & Reserves Policy in relation to the investment of surplus funds and this is reviewed on an annual basis.

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

The aim of this policy is to ensure that funds which the Federated Academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise income but without risk.

Our aim is to spend the public monies with which we are entrusted for the direct education benefit of students as soon as is prudent. The Federated Academy does not consider the investment of surplus funds as a primary activity, rather it is the result of good practice as and when circumstances allow.

The purpose of the Investment Policy will be:

- To ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements.
- To ensure there is no risk of loss in capital value of any cash funds invested.
- To protect the capital value of any invested funds against inflation.
- To optimise returns on invested funds.
- To ensure value for money.
- To exercise care and skill in investment decisions, taking advice as appropriate from a professional adviser.
- To ensure that security takes precedence over revenue maximization.

Ensure that all investment decisions are in the best interests of the trust and command broad public support.

The guidelines incorporated within the Investment Policy are as follows:

Regular cash flow reports are to be prepared and monitored to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding creditors that are due for payment. Where the cash flow identifies a base level of cash funds that will be surplus to requirements these may be invested and as such approved by the Finance & Audit Committee. Approval must be signed off and recorded in the committee minutes. In making decisions regarding where and how any surplus funds should be invested, due regard will be given to risk.

Currently, surplus funds are invested with the existing banker HSBC in an instant access deposit account. One account is set up for each Academy. Interest is received on a quarterly basis. The Finance & Audit Committee receives a report at each meeting as to the performance of the investment.

This decision was taken because an appropriate level of reserves had been achieved to allow the management and the Finance & Audit Committee to explore alternative investment possibilities with criteria being:

- Investment with a different counterparty (in order to reduce counterparty risk).
- Consideration of whether there should be a maximum level of investment with a single approved counterparty; and
- A longer term investment with a higher return (but not high risk investments which are not in the best interests of the Federated Academy).

The above criteria will be considered again when making decisions about future investments in accordance with the Investments & Reserves Policy.

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

Principal Risks and Uncertainties

Risk Management

The Academy Board considers risk and continues to work alongside the Senior Leadership Team in creating a robust system which will minimise the academy's exposure to risk identified. The Trustees continue to assess the major risks to which the Charity is exposed to, in order to be satisfied that systems are in place to mitigate exposure to the major risks.

A Risk Management Policy and Risk Management (Addendum) have been approved by the Trustees and will be reviewed on an annual basis. The purpose of the policy is to identify potential risks and ways of managing them.

Principal Risks

The risks to which the Academy Trust is exposed are recorded on the Risk Register which is maintained, updated and monitored by the Risk Management Group and taken to Trustee. The risks are categorised by means of a Risk Score which takes into account the likelihood of the risk and the impact if it occurs to result in a risk score. The register also includes details of the response to the risk (transfer, treat, tolerate,) details of the control procedures, the person responsible for action against the risk and the date of the next review.

The principal risks identified by the Trustees are highlighted below –

Category	Sub category	Specific	Likelihood of occurring (5=high,1=low)	Impact if occurs (5=high,1=low)	Risk Score	Control procedures
Strategic & Reputational Risk	Charitable objects risk	Charity receives unfavourable Ofsted report	2	5	10	Internal Monitoring & Evaluation
Strategic & Reputational Risk	Pandemic Risk	Risk of continued impact COVID19 will have on operations, exam results, finances	3	3	9	Business Continuity Plan, Management Controls and Monitoring

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

Strategic & Reputational Risk	Technology risk	Risk of Information Technology including security, virus, corruption of data not protected or secured	3	3	9	Contract - ICT Managed Service / Internal monitoring
Strategic & Reputational Risk	Expansion Risk	Risk that the MAT expands quickly without the correct infrastructure or finances in place	3	3	9	Staffing structure / Processes & Procedures established/Funding Agreed
Compliance Risk	Expansion Risk	Risk that individual sites do not follow the same policies, procedures and teaching practices	2	3	6	Processes & Procedures established, Internal Assurance, Management Controls

Risk Score Matrix

Risk Score	Rating	Definition
16 - 25	Very High	Very likely. This event may be imminent or strong indications that this will occur in the future. Not confident risk can be managed at this level and contingency is required.
10 - 15	High	This event is likely to occur in most circumstances. Requires additional mitigation/contingency. Little confidence risk can be managed at this level.
5 - 9	Medium	This event is likely to occur sometimes even if controls operate normally. Confident risk can be managed at this level.
3 - 4	Low	Not expected, this event has a small chance of occurring at some times.
1 - 2	Very Low	Highly unlikely, will occur only in very exceptional circumstances. Very confident risk can be managed at this level. Controls operate normally.

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

Fundraising

The Trust and its academies ensure fundraising conforms to standards set out by the Charity Commission and there have been no complaints received this year in respect of any fundraising activity or how the proceeds of such are used.

The Trust and its Academies do not employ or use any third party or private company to raise funds, and do not place undue pressure to donate on individuals, groups or other donations.

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	
Gosforth Academy	2,734,943
Gosforth Junior High Academy	675,503
Jesmond Park Academy	2,191,528
North Gosforth Academy	1,112,815
Total	6,714,789
Energy consumption break down (kWh)	
gas,	4,544,314
electricity,	2,170,475
transport fuel	0
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	835
Owned transport – mini-buses	0
Total scope 1	835
Scope 2 emissions in metric tonnes CO ₂ e	
Purchased electricity	490
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	0
Total gross emissions in metric tonnes CO ₂ e	1,325
Intensity ratio	
Tonnes CO ₂ e per pupil	0.255

Quantification and Reporting Methodology:

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

North Gosforth Academy were successful in two energy saving CIF bid projects in 2019/20 (Roof and Windows) which have now been completed and energy savings anticipated during 2020/21.

Disabled Employees

The Trust agreed to discharge its responsibilities under the Equality Act 2010 and to meet the Public Sector Equality Duty. This is a commitment to ban unfair treatment and achieve equal opportunities in the classroom, the workplace, in wider society, and to embed equality considerations in day to day practice.

The duty to have "due regard" to equality considerations means that whenever significant decisions are being made or policies developed, thought will be given to the equality implications.

Employee Involvement

The Trust has engaged with its employees through a broad variety of mechanisms to ensure that they are fully aware and consulted on any matters affecting them. A framework for consultation and discussion has been established with a positive working relationship maintained, which has included issues raised directly by our employees.

The Trust communicates key decisions immediately via the Principal which allows for updates to staff via each academy's regular, appropriate team meetings.

Plans for Future Periods

This is a very dynamic period for education in the Gosforth area. The national changes to the examination system, funding pressures and our local problem with regard to capacity combine to offer challenges that we must meet with clear thinking and optimism. We have several planned changes that when combined make up our strategy to deal with the aforementioned challenges.

- To utilise the newly completed the site of the demolished Caretakers House on the Gosforth Academy site. This facility may be required to accommodate additional academy students (years 5 & 6) until completion of Gosforth Great Park Academy.
- To work closely with our local schools as a National Support School.
- To open new secondary schools at Newcastle Great Park and Callerton in 2021.

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Gosforth Federated Academies Limited

Trustees Report for the Year Ended 31 August 2020 (continued)

Reappointment of auditor

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

The trustees report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 19/01/2021 and signed on its behalf by:



.....
Mr George Snaith
Trustee

The Gosforth Federated Academies Limited

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Gosforth Federated Academies Ltd 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 Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 The Gosforth Federated Academies Ltd and the Secretary of State for Education. They are also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

Governance

The Governing Body is committed to ensuring as a group they are effective and exceeding the expectations of Governance. The constitution of the Governing Body is constantly under review so that there is some assurance that as a group they offer a good range of skills to meet the required demands. The current group has a very experienced core that have a wealth of knowledge of governance enhanced by their personal professional backgrounds.

In 2018 Governors were asked to complete a skills audit in accordance with the new Competency Framework for Governors released by the DfE in January 2017. The Governors completed the skills audit rating their ability in the DfE's six features of effective governance; strategic leadership, accountability, people, structures, compliance and evaluation. The results were then collated in a colour coded grid which was reported to the Finance & Audit Committee and subsequently the Full Governing Body. The skills audit results were a useful way of assessing the needs of the governing body and enables us to identify any knowledge, experience, skills and behaviors that are required. It can also be used for identifying training needs, for recruitment, for succession planning and for the assigning of committee members. From the results this year we could conclude that we have a full range of governors with varying backgrounds, life experience and skills which provide the governing body with the essential and desirable attributes for governance.

The schools were also subject to an Ofsted section 8 inspection in May 2015 during which a group of Governors were interviewed. The feedback provided confirms that there is clear strategic vision for the development of education in Gosforth and that Governors have an accurate picture of the academy's performance which supports the findings of the reviews undertaken. Currently governance is graded as outstanding by Ofsted.

One Governor takes a lead on Governor training which is supported by the use of Newcastle Local Authority Governor Services team who provide a wealth of training opportunities for Governors and buying in external training as required.

A governance restructure has been prepared ahead of the proposed expansion of the Multi Academy Trust.

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

The Gosforth Federated Academies Limited

Governance Statement (continued)

Attendance at Meetings

Attendees during the year at meetings were as follows:

GA AG/GFA AG/ GJHA AG/JPA AG/ Member/NGA AG/ Trustee	AGM		GA Advisory Group		GFA Local Governing Body		GJHA Advisory Group		JPA Advisory Group		Members		NGA Advisory Group		Trustees		Trustees Finance & Audit		Salaries & Performance	
	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible
M Alderson (NGA AG appointed 30/06/2020)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
S Ashcroft (T & JPA AG)	1	1	0	0	0	0	0	0	4	5	0	0	0	0	2	5	1	3	0	0
M Atkinson (JPA AG resigned 24/02/2020)	0	1	0	0	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	0
M Baxter (NGA AG)	0	1	0	0	0	0	0	0	0	0	0	0	5	5	0	0	0	0	0	0
C Bell (M)	1	1	0	0	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0
S Blakey (GFA LGB moved to GJHA AG on 01/01/20)	0	0	0	0	2	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0
A Bonello (GA AG ap- pointed 10/02/2020)	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
C Brown (JPA AG appointed 01/11/2019)	0	1	0	0	0	0	0	0	4	4	0	0	0	0	0	0	0	0	0	0
C Buchanan (NGA AG appointed 20/1/20 resigned 9/3/20)	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0
S Bryson (JPA AG appointed 01/11/2019)	0	1	0	0	0	0	0	0	2	4	0	0	0	0	0	0	0	0	0	0
J Crumley (NGA AG)	0	1	0	0	0	0	0	0	0	0	0	0	4	5	2	2	0	0	0	0
F Davidson (NGA AG appointed 20/01/2020)	0	0	0	0	0	0	0	0	0	0	0	0	2	3	0	0	0	0	0	0
J Doble (NGA AG)	0	1	0	0	0	0	0	0	0	0	0	0	4	5	0	0	0	0	0	0
R Edwardson (T & JPA AG)	0	1	0	0	0	0	0	0	5	5	0	0	0	0	5	5	3	3	0	0
K Giles (JPA AG resigned 25/06/2020)	0	1	0	0	0	0	0	0	5	5	0	0	0	0	0	0	0	0	0	0

The Gosforth Federated Academies Limited

Governance Statement (continued)

GA AG/GFA AG/ GHA AG/JPA AG Member/NGA AG/ Trustee	AGM		GA Advisory Group		GFA Local Governing Body		GJHA Advisory Group		JPA Advisory Group		Members		NGA Advisory Group		Trustees		Trustees Finance & Audit		Salaries & Performance	
	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible
S Gillis (JPA AG appointed 01/11/2019)	0	1	0	0	0	0	0	0	2	3	0	0	0	0	0	0	0	0	0	0
D Gregory (M)	1	1	0	0	0	0	0	0	0	0	3	3	0	0	2	2	0	0	0	0
J Hall (T)	1	1	0	0	0	0	0	0	0	0	0	0	0	0	5	5	3	3	0	0
M Harrison (GFA LGB moved to GA AG on 01/01/20)	1	1	2	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
G Hunter (GFA LGB moved to GA AG on 01/01/20)	0	1	2	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
J Lough (T)	1	1	0	0	0	0	0	0	0	0	0	0	0	0	5	5	3	3	0	0
L Malthouse (GFA LGB moved to GA AG on 01/01/20)	0	1	2	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0	1	1
D McCordall (GJHA AG 23/01/2020)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
G Milne (GFA LGB moved to GJHA AG on 01/01/20)	0	1	1	0	1	2	2	2	0	0	0	0	0	0	0	0	0	0	1	1
D Neil (JPA AG appoint- ed 23/01/20)	0	0	1	0	0	0	0	0	2	2	0	0	0	0	0	0	0	0	0	0
G Norris (T & GFA LGB moved to GA AG on 01/01/20)	1	1	2	2	2	2	0	0	0	0	0	0	0	0	5	5	3	3	1	1
E O'Mahony (GFA LGB moved to GJHA AG on 01/01/20)	0	1	1	0	2	2	2	2	0	0	0	0	0	0	0	0	0	0	0	1
S Pike (NGA AG appointed 30/06/2020)	0	0	0	0	0	0	0	0	0	0	0	0	2	1	0	0	0	0	0	0

The Gosforth Federated Academies Limited

Governance Statement (continued)

GA AG/GFA AG/GJHA AG/JPA AG Member/NGA AG/ Trustee	AGM		GA Advisory Group		GFA Local Governing Body		GJHA Advisory Group		JPA Advisory Group		Members		NGA Advisory Group		Trustees		Trustees Finance & Audit		Salaries & Performance	
	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible	Mtgs attended	Out of a possible
R Ramsay (GA AG appointed 24/02/2020)	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
M Richardson (GJHA AG appointed 01/01/2020)	0	0	0	0	0	0	2	2	0	0	0	0	0	0	0	0	0	0	0	0
D Robinson (JPA AG resigned 14/11/2019)	0	0	0	0	0	0	0	0	2	2	0	0	0	0	0	0	0	0	0	0
Z Shaw (GFA LGB moved to GJHA AG on 01/01/20)	0	1	0	0	2	2	2	2	0	0	0	0	0	0	0	0	0	0	0	0
J Slesenger (T & GJHA AG as of 01/01/20)	1	1	0	0	0	0	1	2	0	0	0	0	0	0	4	5	2	3	0	0
G Snaith (T & NGA AG)	1	1	1	0	1	0	2	0	4	0	0	0	5	5	5	5	3	3	0	0
M Soulsby (NGA AG resigned 09/09/19)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A Steer (GJHA AG 28/01/2020)	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0
J Storey (Bt)	1	1	0	0	0	0	0	0	0	0	1	3	0	0	0	0	0	0	0	0
I Syed (GFA LGB moved to GA AG on 01/01/20)	0	1	1	2	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	1
K Thomas (M)	1	1	0	0	0	0	0	0	0	0	3	3	0	0	0	0	0	0	0	0
E Thompson (NGA AG)	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
D Vero (GFA LGB moved to GA AG and GJHA AG on 01/01/20)	1	1	2	2	2	2	2	2	0	0	0	0	0	0	1	2	0	0	1	1

Key:- (M) = Member (T) = Trustee (GA AG) = Gosforth Academy Advisory Group (GFA LGB) = Gosforth Federated Academies Local Governing Body
(GJHA AG) = Gosforth Junior High Academy Advisory Group (JPA AG) = Jesmond Park Academy Advisory Group (NGA AG) = North Gosforth Academy Advisory Group

The Gosforth Federated Academies Limited

Governance Statement (continued)

Future Challenges for the Board of Trustees

The IFS, ASCL and FASNA are all predicting the perfect storm in the world of Educational Finance. Decrease of funding in real terms have been predicted by the aforementioned reliable institutions. Our plan to avoid financial hardship continues to be actioned and monitored.

We must:-

- Plan for and actively pursue growth. An increase in student numbers is almost guaranteed due to the Gosforth Great Park and Callerton area expansions.
- Reduce staffing costs – examination of the age profile of our staff clearly indicates that retirement of mature staff coupled with replacement by new young staff is a process that will reduce our staffing costs.
- The expansion of the Multi Academy Trust will further increase our efficiency via our Economy of Scale.
- Generate income from consultancy based work.
- Be aware of funding streams that are available to the Academy Trust and have the capacity to act on strategic opportunities.
- Develop our talented staff to ensure succession management.

Review of Value for Money

As Accounting Officer the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust use of its resources has provided good value for money during each academic year, and reports to the 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:

Consultancy

In our role as a National Support School and Academy Sponsor we have been given the opportunity to become involved with other schools which require support and assistance following poor levels of achievement and/or Ofsted results. This enables our key management personnel to share knowledge, procedures and management expertise with other schools and generated additional income and funding streams for the Academy Trust.

Review of Expenditure

Expenditure continues to be monitored, reviewed and renegotiated to ensure best value, achieve economies of scale and ensure budget holders are held accountable for spend. A robust process has been established in regards to recruitment.

The Gosforth Federated Academies Limited

Governance Statement (continued)

Heaton Manor School/Jesmond Park Academy

We supported Heaton Manor School on a consultancy basis until 31 July 2019. On 1 August 2019 Heaton Manor (now Jesmond Park Academy) joined our Trust increasing our student numbers, revenue streams and ability to achieve greater economies of scale when negotiating contracts.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Gosforth Federated Academies for the period ended 31 August 2020 and up to the date of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been place for the period ending 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Finance & Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. Instead the Trustees have appointed MHA Tait Walker to perform an Internal Assurance Programme. No material control issues were found as a result of this work.

Following the revised FRC Ethical Standards which prohibited a firm providing external audit to an entity to also provide internal audit services, a procurement exercise will be undertaken to appoint new internal auditors for the upcoming financial year.

The Gosforth Federated Academies Limited

Governance Statement (continued)

The internal reviewer's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included: Testing of payroll systems

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations

On an annual basis, the auditor reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of Effectiveness

As Accounting Officer, the Principal/Chief Executive 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 additional checks carried out by the external auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 19/01/2022 and signed on its behalf by:



Mr George Snaith
Trustee



Mr Hugh Robinson
Accounting officer
Chief Executive Officer


The Gosforth Federated Academies Limited

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Gosforth Federated Academies Limited I have considered my responsibility to notify the academy trust Governing Body and the Education and 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 2019.

I confirm that I and the academy trust Governing Body 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 2019.

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 Governing Body and ESFA.


.....
Mr Hugh Robinson
Accounting officer

Date: 19/1/21

The Gosforth Federated Academies Limited

Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

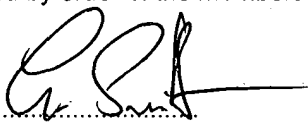
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 19/01/2021 and signed on its behalf by:


.....
Mr George Snaith
Trustee

The Gosforth Federated Academies Limited

Independent Auditor's Report on the Financial Statements to the Members of The Gosforth Federated Academies Limited

Opinion

We have audited the financial statements of The Gosforth Federated Academies Limited (the 'academy trust') for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy 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 financial statements are authorised for issue.

Other information (covers the Reference and Administrative Details, the Trustees Report and the Governance Statement)

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

The Gosforth Federated Academies Limited

Independent Auditor's Report on the Financial Statements to the Members of The Gosforth Federated Academies Limited (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 30, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the academy 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 academy trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The Gosforth Federated Academies Limited

Independent Auditor's Report on the Financial Statements to the Members of The Gosforth Federated Academies Limited (continued)

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

Use of our report

This report is made solely to the academy trust's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

MHA Tait Walker

.....
Brian Laidlaw BA CA (Senior Statutory Auditor)
For and on behalf of MHA Tait Walker
Chartered Accountants
Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: *22nd January 2021*

MHA Tait Walker is a trading name of Tait Walker LLP.

The Gosforth Federated Academies Limited

Independent Reporting Accountant's Report on Regularity to The Gosforth Federated Academies Limited and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 4 July 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Gosforth Federated Academies Limited during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 29 November 2010 and the Academies Financial Handbook extant from 1 September 2019, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;

The Gosforth Federated Academies Limited


Independent Reporting Accountant's Report on Regularity to The Gosforth Federated Academies Limited and the Education and Skills Funding Agency (continued)

- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

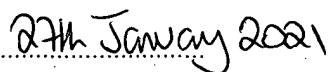
Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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



MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Date: 

MHA Tait Walker is a trading name of Tait Walker LLP.

The Gosforth Federated Academies Limited

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2020 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	3	6	-	1,195	1,201
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	-	27,893	-	27,893
Other trading activities	5	909	61	-	970
Investments	6	6	-	-	6
Total		921	27,954	1,195	30,070
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	8	177	29,193	504	29,874
Total		177	29,193	504	29,874
Net income/(expenditure)		744	(1,239)	691	196
Transfers between funds		(69)	(120)	189	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	31	-	(4,240)	-	(4,240)
Net movement in funds/(deficit)		675	(5,599)	880	(4,044)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2019		1,724	(7,788)	44,617	38,553
Total funds/(deficit) carried forward at 31 August 2020		<u>2,399</u>	<u>(13,387)</u>	<u>45,497</u>	<u>34,509</u>

The Gosforth Federated Academies Limited

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2019 £ 000
Income and endowments from:					
Voluntary income					
Donations and capital grants	3	19	-	780	799
Transfer from local authority on conversion		-	(1,482)	-	(1,482)
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	4	-	16,610	-	16,610
Other trading activities	5	1,316	363	-	1,679
Investments	6	5	-	-	5
Total		1,340	15,491	780	17,611
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	8	324	18,272	502	19,098
Net income/(expenditure)		1,016	(2,781)	278	(1,487)
Transfers between funds		(241)	241	-	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	31	-	(3,250)	-	(3,250)
Net movement in funds/(deficit)		775	(5,790)	278	(4,737)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		949	(1,998)	44,339	43,290
Total funds/(deficit) carried forward at 31 August 2019		1,724	(7,788)	44,617	38,553

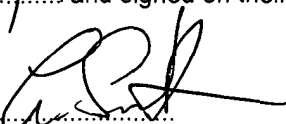
The Gosforth Federated Academies Limited

(Registration number: 07431423)

Balance Sheet as at 31 August 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Intangible assets	13	3	4
Tangible assets	14	44,706	44,492
		<u>44,709</u>	<u>44,496</u>
Current assets			
Stocks	16	82	84
Debtors	17	2,130	1,176
Cash at bank and in hand		3,422	3,049
		<u>5,634</u>	<u>4,309</u>
Creditors: Amounts falling due within one year	18	(2,366)	(2,223)
Net current assets		<u>3,268</u>	<u>2,086</u>
Total assets less current liabilities		47,977	46,582
Creditors: Amounts falling due after more than one year	19	(48)	(19)
Net assets excluding pension liability		47,929	46,563
Pension scheme liability	31	(13,420)	(8,010)
Net assets including pension liability		<u>34,509</u>	<u>38,553</u>
Funds of the Academy:			
Restricted funds			
Restricted income fund	20	222	222
Restricted fixed asset fund	20	45,497	44,617
Restricted pension fund	20	(13,420)	(8,010)
		<u>32,299</u>	<u>36,829</u>
Unrestricted funds			
Unrestricted income fund	20	2,210	1,724
Total funds		<u>34,509</u>	<u>38,553</u>

The financial statements on pages 36 to 68 were approved by the trustees, and authorised for issue on 19/01/2021 and signed on their behalf by:



 Mr George Snaith
 Trustee

The Gosforth Federated Academies Limited

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £ 000	2019 £ 000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	24	(140)	832
Cash flows from investing activities	26	484	126
Cash flows from financing activities	25	<u>29</u>	<u>19</u>
Change in cash and cash equivalents in the year		373	977
Cash and cash equivalents at 1 September		<u>3,049</u>	<u>2,072</u>
Cash and cash equivalents at 31 August	27	<u><u>3,422</u></u>	<u><u>3,049</u></u>

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2019 (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

Going concern

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

Income

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

Grants

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

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

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

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

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.

Investment income

Interest receivable is included within the statement of financial activities on a receivable basis.

Donated goods, facilities and services

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

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

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income.

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

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.

Intangible fixed assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation and impairment. Amortisation is provided at rates calculated to write off the cost of each asset over its expected useful life, per the table below

Asset class	Amortisation method and rate
Software	25% reducing balance

Tangible fixed assets

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

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

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

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

Asset class	Depreciation method and rate
Land & buildings	up to 125 years straight line
Furniture & equipment	20% reducing balance
Motor vehicles	20% reducing balance
Computer equipment	25% reducing balance

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.

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

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

Investments

The Academy Trust's shareholding in the wholly owned subsidiary, Sport @ Gosforth Ltd, is included in the balance sheet at share capital owned less any impairment. There is no readily available market value and the cost of the valuation exceeds the benefit derived. The investment is held in the balance sheet at £1.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

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

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.

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 31, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Assessing indicator of impairment

In assessing whether there have been any indicators of impairment of assets the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

Depreciation

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £503,000 (2019: £502,000).

Amortisation

The academy trust has made an estimate of the useful lives of the intangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the intangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £1,000 (2019: £1,000).

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

1 Accounting policies (continued)

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 0% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 32.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2020.

3 Donations and capital grants

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Other voluntary income					
Capital grants	-	-	1,195	1,195	780
Other donations	6	-	-	6	19
	<u>6</u>	<u>-</u>	<u>1,195</u>	<u>1,201</u>	<u>799</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>19</u>	<u>-</u>	<u>780</u>	<u>799</u>	

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
DfE/ESFA revenue grants					
General Annual Grant GAG	-	24,983	-	24,983	15,093
Start Up Grants	-	61	-	61	297
Other ESFA Group grants	-	2,639	-	2,639	1,011
	-	27,683	-	27,683	16,401
Other government grants					
Local authority grants	-	172	-	172	159
	-	172	-	172	159
Non-government grants and other income					
Other income from the academy trusts educational operations	-	38	-	38	50
Total grants	-	27,893	-	27,893	16,610
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	-	16,610	-	16,610	

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

5 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Hire of facilities	207	-	-	207	323
Catering income	259	-	-	259	376
Other sales	180	61	-	241	536
Trip income	202	-	-	202	371
Exams income	6	-	-	6	6
Uniform sales	55	-	-	55	67
	<u>909</u>	<u>61</u>	<u>-</u>	<u>970</u>	<u>1,679</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>1,316</u>	<u>363</u>	<u>-</u>	<u>1,679</u>	

6 Investment income

	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2020 £ 000	Total 2019 £ 000
Short term deposits	<u>6</u>	<u>-</u>	<u>-</u>	<u>6</u>	<u>5</u>
	Unrestricted funds £ 000	Restricted funds £ 000	Restricted fixed asset funds £ 000	Total 2019 £ 000	
Total 2019	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>	

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

7 Expenditure

	Non Pay Expenditure			Total 2020 £ 000	Total 2019 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Academy's educational operations					
Direct costs	17,947	-	1,283	19,230	12,741
Allocated support costs	4,713	1,918	4,013	10,644	6,357
	<u>22,660</u>	<u>1,918</u>	<u>5,296</u>	<u>29,874</u>	<u>19,098</u>

	Non Pay Expenditure			Total 2019 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000	
Total 2019	<u>14,146</u>	<u>1,771</u>	<u>3,181</u>	<u>19,098</u>

Net income/(expenditure) for the year includes:

	2020 £ 000	2019 £ 000
Operating lease rentals	75	73
Depreciation	503	502
Amortisation of intangible fixed assets	1	1
Fees payable to auditor - audit	11	11
Fees payable to auditor - other audit services	<u>7</u>	<u>7</u>

8 Charitable activities

	2020 £ 000	2019 £ 000
Direct costs - educational operations	19,230	12,741
Support costs - educational operations	<u>10,644</u>	<u>6,357</u>
	<u>29,874</u>	<u>19,098</u>

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

8 Charitable activities (continued)

	Educational operations £ 000	Total 2020 £ 000	Total 2019 £ 000
Analysis of support costs			
Support staff costs	4,713	4,713	2,846
Depreciation	504	504	502
Premises costs	1,414	1,414	1,269
Legal costs	99	99	71
Other support costs	3,903	3,903	1,649
Governance costs	11	11	20
Total support costs	<u>10,644</u>	<u>10,644</u>	<u>6,357</u>

9 Staff

Staff costs

	2020 £ 000	2019 £ 000
Staff costs during the year were:		
Wages and salaries	16,244	10,604
Social security costs	1,689	1,032
Operating costs of defined benefit pension schemes	<u>4,432</u>	<u>2,176</u>
	22,365	13,812
Supply staff costs	233	308
Staff restructuring costs	<u>62</u>	<u>26</u>
	<u>22,660</u>	<u>14,146</u>
	2020 £ 000	2019 £ 000
Staff restructuring costs comprise:		
Redundancy payments	34	27
Severance payments	18	-
Other restructuring costs	<u>10</u>	<u>-</u>
	<u>62</u>	<u>27</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2019: £13,607). Individually, the payments were:

Non-contractual payments £Nil

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

9 Staff (continued)

Staff numbers

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

	2020 No.	2019 No.
Charitable Activities		
Teachers	306	190
Administration and support	189	277
Management	9	10
	<u>504</u>	<u>477</u>

Higher paid staff

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

	2020 No.	2019 No.
£60,001 - £70,000	3	1
£70,001 - £80,000	7	4
£80,001 - £90,000	1	1
£90,001 - £100,000	2	1
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	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 £943,367 (2019 - £1,090,788).

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

10 Central services

The academy trust has provided the following central services to its academies during the year:

- Recharge of staff salaries
- Recharge for management time
- Recharge of costs incurred by Gosforth Federated Academy on behalf of other schools

The academy trust charges for these services on the following basis:

- Actual costs incurred

The actual amounts charged during the year were as follows:

	2020 £ 000	2019 £ 000
Gosforth High School	431	15
Gosforth Junior High School	170	258
North Gosforth School	146	30
Great Park	35	30
Jesmond Park Academy	486	-
	<u>1,268</u>	<u>333</u>

11 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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 role as trustees. The value of trustees' remuneration and other benefits was as follows:

Mr John Hall (Staff Trustee):

Remuneration: £35,000 - £40,000 (2019 - £25,000 - £30,000)

Employer's pension contributions: £5,000 - £10,000 (2019 - £0 - £5,000)

Other related party transactions involving the trustees are set out in note 32.

12 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2020 was £695 (2019 - £422).

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

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

13 Intangible fixed assets

	Software £ 000	Total £ 000
Cost		
At 1 September 2019	<u>7</u>	<u>7</u>
At 31 August 2020	<u>7</u>	<u>7</u>
Amortisation		
At 1 September 2019	3	3
Charge for the year	<u>1</u>	<u>1</u>
At 31 August 2020	<u>4</u>	<u>4</u>
Net book value		
At 31 August 2020	<u>3</u>	<u>3</u>
At 31 August 2019	<u>4</u>	<u>4</u>

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Tangible fixed assets

	Freehold land and buildings £ 000	Leasehold land and buildings £ 000	Furniture and equipment £ 000	Motor vehicles £ 000	Computer equipment £ 000	Assets under construction £ 000	Total £ 000
Cost							
At 1 September 2019	6,920	39,378	253	56	1,107	414	48,128
Additions	532	67	31	-	78	9	717
Transfers	414	-	-	-	-	(414)	-
At 31 August 2020	<u>7,866</u>	<u>39,445</u>	<u>284</u>	<u>56</u>	<u>1,185</u>	<u>9</u>	<u>48,845</u>
Depreciation							
At 1 September 2019	91	2,619	169	34	723	-	3,636
Charge for the year	59	315	19	5	105	-	503
At 31 August 2020	<u>150</u>	<u>2,934</u>	<u>188</u>	<u>39</u>	<u>828</u>	<u>-</u>	<u>4,139</u>
Net book value							
At 31 August 2020	<u>7,716</u>	<u>36,511</u>	<u>96</u>	<u>17</u>	<u>357</u>	<u>9</u>	<u>44,706</u>
At 31 August 2019	<u>6,829</u>	<u>36,759</u>	<u>84</u>	<u>22</u>	<u>384</u>	<u>414</u>	<u>44,492</u>

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

14 Tangible fixed assets (continued)

The land and buildings occupied by the Academy Trust are leased from the Local Authority on a 125 year peppercorn lease, or occupied on a freehold basis. The Trustees are of the opinion that the risks and rewards associated have been substantially transferred to the Academy and as such the land and buildings have been capitalised, with a corresponding entry shown in the Statement of Financial Activities, as donated income. The valuation basis has been estimated by reference to the expected rebuild costs and reinstatement costs as surveyed for insurance purposes.

The Trustees are satisfied that this basis most closely reflects an appropriate fair value for the asset.

On formation of the Academy Trust and conversion of Jesmond Park Academy, fixtures, fittings, and equipment were transferred from the predecessor school. The Trustees have been unable to obtain a valuation from the local authority in respect of these assets, however they believe any value placed on them would not be significant. The costs of obtaining a professional valuation would be prohibitive and any valuation would be subjective, therefore the Trustees have taken a view that the assets should not be included in these accounts.

15 Investments

The academy trust owns 100% of the ordinary shares of Sport@Gosforth Ltd, a company incorporated in England & Wales. Registration number 08014267. The registered office is Gosforth Academy, Knightsbridge, Great North Road, Gosforth, Tyne And Wear, NE3 2JH. The principal activity of the company is dormant.

16 Stock

	2020 £ 000	2019 £ 000
Clothing	82	84

17 Debtors

	2020 £ 000	2019 £ 000
Trade debtors	30	10
VAT recoverable	461	217
Other debtors	36	22
Prepayments	356	210
Accrued grant and other income	1,247	717
	<u>2,130</u>	<u>1,176</u>

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

18 Creditors: amounts falling due within one year

	2020	2019
	£ 000	£ 000
Trade creditors	749	1,152
Other taxation and social security	399	390
Other creditors	11	3
Accruals	594	256
Deferred income	214	116
Pension scheme creditor	399	306
	<u>2,366</u>	<u>2,223</u>
	2020	2019
	£ 000	£ 000
Deferred income		
Deferred income at 1 September 2019	116	157
Resources deferred in the period	214	116
Amounts released from previous periods	<u>(116)</u>	<u>(157)</u>
Deferred income at 31 August 2020	<u>214</u>	<u>116</u>

Deferred income is in respect of grants received from the ESFA which cover the year to 31 March 2021, funds received in advance for sports lettings booked for the autumn term 2020 and a number of school trips taking place in 2020/21 where income has been collected as part of payment plan from students. Therefore, the income has been proportioned appropriately and values relating to the period after 31 August 2019 have been deferred.

19 Creditors: amounts falling due after one year

	2020	2019
	£ 000	£ 000
Other	<u>48</u>	<u>19</u>

Loans of £47,738 from Salix Finance Ltd which is provided on the following terms; Salix Energy Efficient loan (North Gosforth Academy) - 8 year inherent free loan repayable through GAG in 6 monthly instalments.

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

20 Funds

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	22,132	(22,201)	69	-
Other DfE/ESFA grants (inc Pupil Premium)	-	5,489	(5,489)	-	-
ESFA Project Development Grant	181	-	-	-	181
Local authority grants	-	211	(211)	-	-
Other income	-	61	(61)	-	-
Start up grants	38	61	(61)	-	38
Swires grant	3	-	-	-	3
	<u>222</u>	<u>27,954</u>	<u>(28,023)</u>	<u>69</u>	<u>222</u>
Restricted fixed asset funds					
Premises gifted by Local Authority	41,730	-	(336)	-	41,394
DfE/ESFA capital grants	773	1,195	(7)	189	2,150
Capital expenditure from GAG	1,991	-	(102)	-	1,889
Capital expenditure from revenue funding	5	-	-	-	5
Donated ICT equipment	118	-	(59)	-	59
	<u>44,617</u>	<u>1,195</u>	<u>(504)</u>	<u>189</u>	<u>45,497</u>
Restricted pension funds					
Pension reserve	<u>(8,010)</u>	<u>-</u>	<u>(1,170)</u>	<u>(4,240)</u>	<u>(13,420)</u>
Total restricted funds	36,829	29,149	(29,697)	(3,982)	32,299
Unrestricted funds					
Unrestricted funds	<u>1,724</u>	<u>921</u>	<u>(177)</u>	<u>(258)</u>	<u>2,210</u>
Total funds	<u>38,553</u>	<u>30,070</u>	<u>(29,874)</u>	<u>(4,240)</u>	<u>34,509</u>

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

20 Funds (continued)

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

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	-	15,093	(15,334)	241	-
Other DfE/ESFA grants (inc Pupil Premium)	-	1,011	(1,011)	-	-
ESFA Project Development Grant	211	-	(30)	-	181
Local authority grants	-	209	(209)	-	-
Other income	-	719	(719)	-	-
Start up grants	38	297	(297)	-	38
Swires grant	3	-	-	-	3
	<u>252</u>	<u>17,329</u>	<u>(17,600)</u>	<u>241</u>	<u>222</u>
Restricted fixed asset funds					
Premises gifted by Local Authority	42,066	-	(336)	-	41,730
DfE/ESFA capital grants	-	780	(7)	-	773
Capital expenditure from GAG	2,091	-	(100)	-	1,991
Capital expenditure from revenue funding	5	-	-	-	5
Donated ICT equipment	177	-	(59)	-	118
	<u>44,339</u>	<u>780</u>	<u>(502)</u>	<u>-</u>	<u>44,617</u>
Restricted pension funds					
Pension reserve	<u>(2,250)</u>	<u>(1,850)</u>	<u>(660)</u>	<u>(3,250)</u>	<u>(8,010)</u>
Total restricted funds	42,341	16,259	(18,762)	(3,009)	36,829
Unrestricted funds					
Unrestricted funds	<u>949</u>	<u>1,340</u>	<u>(324)</u>	<u>(241)</u>	<u>1,724</u>
Total funds	<u>43,290</u>	<u>17,599</u>	<u>(19,086)</u>	<u>(3,250)</u>	<u>38,553</u>

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

20 Funds (continued)

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

(i) Under the fund agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2020. Note 2 discloses whether the limit was exceeded.

(ii) Capital grants are awarded by the ESFA to fund maintenance projects and refresh ICT provision within the Academy.

(iii) The costs and income associated with the defined benefit pension scheme have been recorded in the restricted funds in the current year. This does not mean that an immediate liability for this amount crystallises.

(iv) Included in restricted funds are two additional grants received from the Education Funding Agency. They are a Project Development Grant which is to fund the set-up of the Gosforth Great Park Academy which is due to open in temporary accommodation in September 2020. The current balance is £181,000.

Analysis of academies by fund balance

Fund balances at 31 August 2020 were allocated as follows:

	2020 £ 000	2019 £ 000
Gosforth Academy	10	186
Gosforth Junior High Academy	1,271	884
North Gosforth Academy	(38)	117
Jesmond Park Academy	1,073	726
The Gosforth Federated Academies	116	33
Total before fixed assets and pension reserve	2,432	1,946
Restricted fixed asset reserve	45,497	44,617
Pension reserve	(13,420)	(8,010)
Total	34,509	38,553

Included within The Gosforth Federated Academies Limited central services balance is an amount due to Great Park Academy. This represents monies paid across by ESFA and costs incurred in the setup of a new academy. These balances will be transferred to the academy upon opening in September 2021.

North Gosforth Academy is carrying a net deficit of £38,000 on these funds. Trustees are focused on delivering outstanding education provision and ensuring sustainability of the Trust for the benefit of all stakeholders. Trustees agreed to support North Gosforth Academy's school improvement and development plans, and in doing so understood the short-term impact of this decision on reserves. This support will continue into 2020/21.

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

20 Funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2020 £ 000
Gosforth Academy	6,789	2,741	93	2,161	11,784
Gosforth Junior High Academy	223	459	43	811	3,536
North Gosforth Academy	2,065	553	41	698	3,357
Jesmond Park Academy	6,942	960	78	2,714	10,694
Academy Trust	<u>16,019</u>	<u>4,713</u>	<u>255</u>	<u>6,384</u>	<u>29,371</u>

Expenditure incurred by each academy during the prior year was as follows:

	Teaching and Educational Support Staff Costs £ 000	Other Support Staff Costs £ 000	Educational Supplies £ 000	Other Costs (excluding Depreciation) £ 000	Total 2019 £ 000
Gosforth Academy	7,012	875	854	1,676	10,417
Gosforth Junior High Academy	2,141	103	258	805	3,307
North Gosforth Academy	1,426	193	177	306	2,102
Academy Trust	<u>10,579</u>	<u>1,171</u>	<u>1,289</u>	<u>2,787</u>	<u>15,826</u>

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

21 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Intangible fixed assets	-	-	3	3
Tangible fixed assets	-	-	44,706	44,706
Current assets	2,292	2,506	836	5,634
Current liabilities	(82)	(2,284)	-	(2,366)
Creditors over 1 year	-	-	(48)	(48)
Pension scheme liability	-	(13,420)	-	(13,420)
Total net assets	<u>2,210</u>	<u>(13,198)</u>	<u>45,497</u>	<u>34,509</u>

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Intangible fixed assets	-	-	4	4
Tangible fixed assets	-	-	44,492	44,492
Current assets	1,795	2,255	259	4,309
Current liabilities	(71)	(2,033)	(119)	(2,223)
Creditors over 1 year	-	-	(19)	(19)
Pension scheme liability	-	(8,010)	-	(8,010)
Total net assets	<u>1,724</u>	<u>(7,788)</u>	<u>44,617</u>	<u>38,553</u>

22 Capital commitments

	2020 £ 000	2019 £ 000
Contracted for, but not provided in the financial statements	<u>913</u>	<u>-</u>

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

23 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £ 000	2019 £ 000
Amounts due within one year	62	72
Amounts due between one and five years	85	135
	<u>147</u>	<u>207</u>

The Academy Trust occupies premises which are subject to a private finance initiative (PFI) contract. The Academy Trust is itself not party to this service concession contract, however the Academy Trust has entered into a supporting agreement to make contributions towards the costs. The commitment covers the same period as the PFI agreement of 12 years. The current year cost was £1,422,912 and it is expected that future annual commitments will be at a similar level.

24 Reconciliation of net income/(expenditure) to net cash inflow/(outflow) from operating activities

		2020 £ 000	2019 £ 000
Net income/(expenditure)		196	(1,487)
Amortisation	7	1	1
Depreciation	7	503	502
Capital grants from DfE and other capital income		(1,195)	(780)
Interest receivable	6	(6)	(5)
Defined benefit pension scheme obligation inherited	31	-	1,850
Defined benefit pension scheme cost less contributions payable	31	1,030	600
Defined benefit pension scheme finance cost	31	140	60
Decrease/(increase) in stocks		2	(6)
Increase in debtors		(954)	(790)
Increase in creditors		143	887
Net cash (used in)/provided by Operating Activities		<u>(140)</u>	<u>832</u>

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

25 Cash flows from financing activities

	2020 £ 000	2019 £ 000
Cash inflows from new borrowing	29	19
Net cash provided by financing activities	29	19

26 Cash flows from investing activities

	2020 £ 000	2019 £ 000
Dividends, interest and rents from investments	6	5
Purchase of tangible fixed assets	(717)	(659)
Capital grants from DfE/EFA	1,195	780
Net cash provided by investing activities	484	126

27 Analysis of cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank and in hand	3,422	3,049
Total cash and cash equivalents	3,422	3,049

28 Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	3,049	373	3,422
Loans falling due after more than one year	(19)	(29)	(48)
Total	3,030	344	3,374

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

29 Contingent liabilities

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the Academy is required either to reinvest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- a) the value at the time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

The Academy has not made any such disposals in the current year.

30 Members' liability

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

31 Pension and similar obligations

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

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

Contributions amounting to £398,817 (2019 - £305,951) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

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

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

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

31 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £2,586,199 (2019: £1,139,887).

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

Tyne & Wear Pension Fund

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £870,000 (2019 - £520,000), of which employer's contributions totalled £640,000 (2019 - £380,000) and employees' contributions totalled £230,000 (2019 - £140,000). The agreed contribution rates for future years are 17.9 per cent for employers and 5.5 - 12.5 per cent for employees.

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

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

31 Pension and similar obligations (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	3.80	3.60
Rate of increase for pensions in payment/inflation	2.30	2.10
Discount rate for scheme liabilities	1.70	1.90
Inflation assumptions (CPI)	<u>2.30</u>	<u>2.10</u>

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

	2020	2019
Retiring today		
Males retiring today	21.80	21.90
Females retiring today	25.00	25.10
Retiring in 20 years		
Males retiring in 20 years	23.50	23.60
Females retiring in 20 years	<u>26.80</u>	<u>26.90</u>

Sensitivity analysis

	At 31 August 2020	At 31 August 2019
	£000	£000
Discount rate +0.1%	27,770	21,690
Discount rate -0.1%	29,220	22,700
Mortality assumption – 1 year increase	27,450	22,940
Mortality assumption – 1 year decrease	29,510	21,450
CPI rate +0.1%	28,620	22,490
CPI rate -0.1%	<u>28,340</u>	<u>21,890</u>

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

	2020	2019
	£ 000	£ 000
Equities	8,050	9,280
Corporate bonds	3,450	1,620
Government bonds	360	580
Property	1,390	1,220
Cash and other liquid assets	290	300
Other	<u>1,520</u>	<u>1,180</u>
Total market value of assets	<u>15,060</u>	<u>14,180</u>

The actual return on scheme assets was £2,300,000 (2019 - £640,000).

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

31 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2020	2019
	£ 000	£ 000
Current service cost	1,620	640
Past service cost	-	340
Interest income	(280)	(280)
Interest cost	420	340
Total amount recognised in the SOFA	1,760	1,040

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

	2020	2019
	£ 000	£ 000
At start of period	22,190	11,370
Conversion of academy trusts	-	5,340
Current service cost	1,670	640
Interest cost	420	340
Employee contributions	230	140
Actuarial (gain)/loss	4,190	3,610
Benefits paid	(220)	410
Past service cost	-	340
At 31 August	28,480	22,190

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

	2020	2019
	£ 000	£ 000
At start of period	14,180	9,120
Conversion of academy trusts	-	3,490
Interest income	280	280
Actuarial gain/(loss)	(50)	360
Employer contributions	640	380
Employee contributions	230	140
Benefits paid	(220)	410
At 31 August	15,060	14,180

32 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Gosforth Federated Academies Limited

Notes to the Financial Statements for the Year Ended 31 August 2020 (continued)

32 Related party transactions (continued)

Expenditure related party transactions

During the year the academy trust made the following related party transactions:

Mrs SM Robinson-Jordan

(Mrs SM Robinson-Jordan is an employee of the Trust and the daughter the CEO. Mrs SM Robinson-Jordan is employed by the trust as an teacher and is remunerated at an appropriate salary scale point for the responsibilities relating to this role.)

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2019.

At the balance sheet date the amount due to Mrs SM Robinson-Jordan was £Nil (2019 - £Nil).

33 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the academy trust received £93,692 and disbursed £20,310 from the fund. An amount of £72,046 is included in other creditors relating to undistributed funds that is repayable to ESFA.