

Company Registration Number: 07656715 (England and Wales)

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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GIPPESWYK COMMUNITY EDUCATIONAL TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members-

S Flory (appointed 24 August 2017)
J Moon (appointed 24 August 2017, resigned 5 March 2018)
C Richards (appointed 24 August 2017)
W Robinson (Chairman)
K Woollard (from 1 September 2018)

Trustees-

R Calvesbert (until 1 September 2018)
M Capp (from 20 September 2017)
S Common (CEO and accounting officer)
V Lamond-Mattocks (from 20 September 2017)
L Richings (from 6 March 2018 to 5 July 2018)
W Robinson (Chairman)
R Smith
B Wade
A Wright (from 1 September 2018)

Company Secretary

G Sneddon (until 6 December 2017)
T Goodchild (from 6 December 2017)

Senior Management Team

CEO/Principal Copleston High School	S Common
CFO	T Goodchild
Principal Rose Hill Primary School	G Bright

Company Name

Gippeswyk Community Educational Trust

Principal and Registered Office

Copleston Road, Ipswich, Suffolk, IP4 5HD

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REFERENCE AND ADMINISTRATIVE DETAILS (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Independent Auditor

MHA MacIntyre Hudson
Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Bankers

Lloyds Bank Plc
Cornhill
Ipswich
Suffolk
IP1 1DG

Solicitors

Stone King LLP
Wellington House
East Road
Cambridge
CB1 1BH

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Multi Academy Trust operates:

Copleston High School, an Academy for students aged 11 to 18 serving a catchment area in East Ipswich. It has a pupil capacity in the main school of 1,500 and had a roll of 1,491. In the sixth form the capacity was 350 and had a roll of 293 in the school census on October 2018.

Rose Hill Primary School, an Academy for students aged 4-11, serving a catchment area in East Ipswich. It has a pupil capacity of 315 and had a role of 305 in the school census on October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust 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 Trustees of Gippeswyk Community Educational Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Copleston High School and Rose Hill Primary School.

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

Members Liability

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

Trustees' Indemnities

The Academy has joined the government Risk Protection Arrangement (RPA). Governors are protected from claims arising from negligent acts, errors or omissions whilst on Academy business.

Method of Recruitment and Appointment or Election of Trustees

The management of the company is the responsibility of the Trustees who are appointed under the terms of the Articles of Association.

Trustees are subject to retirement after a term of 4 years. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected at an Annual General Meeting.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Trustees are given a tour of the Trust and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters.

Organisational Structure

The management structure consists of: The Members, Trustees and Governing Body Committees and the Senior Management Team.

Management of the Trust is delegated to the Trust Board.

The Articles of Association prescribe for the internal management, decision making and running of the Multi Academy Trust and its liability. The Articles also set out in detail, the composition of the Trust Board, meeting and voting arrangements, levels of delegation etc. The Trustees may delegate to any trustee, committee, the CEO or any other holder of executive office, such of their powers or functions as they consider desirable to be exercised by them. Delegation can also be revoked by Trustees. The Scheme of Delegation is ratified by the Trust Board.

Where any power or function has been delegated, any action or decision taken under delegated authority must be reported to the Trust Board. (Articles 105-106).

The Trust Board remains accountable in law for all major decisions about the Multi Academy Trust and its future.

Arrangements for setting pay and remuneration of key management personnel

The School adheres to its School Pay Policy when setting pay and remuneration of key management personnel. This is reviewed annually against the School Teachers' Pay and Conditions Document which the Academy follows.

Trade Union facility time

The Trust has one employee who is a union rep for NASUWT and any matters of concern are discussed with them or raised by them. The Trust also subscribes to the Suffolk County Council Union Facilities Time. No costs were incurred by the Trust regarding the time spent by staff on union activities. The total cost is 0% of the total payroll costs of the Trust.

Employees and disabled persons

Any candidate for a job who has a disability and who meets the selection criteria will be offered an interview. Reasonable adjustments are made as necessary for recruits or staff who become disabled during the course of their employment. The Trusts Safer Recruitment Policy is adhered to.

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's objects are specifically restricted to the following:

1. To advance for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.
2. To promote for the benefit of the inhabitants of Ipswich and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

The principal objective of the trust is to enable all students to achieve their best. This is brought about by continually developing a stimulating curriculum supported by the highest possible standards of teaching and learning. A warm, caring and vibrant environment is created so that students may thrive and where every student really does matter.

An excellent range of curricular, extra-curricular and student voice opportunities ensure that all our students can flourish. Student successes are celebrated in as many ways as possible through visual images around the school, achievement assemblies and through wonderful celebration evenings emphasizing that we value all students as individuals.

Key priorities for the year are identified in our School Development Plan which is available by contacting the school.

Focuses identified for this year include:

- **Improving Outcomes** - we are proud of our students' academic achievements and recognise that the outcomes they achieve can change their lives. We want them to be good learners with enquiring minds so they can make a positive contribution to society. We focus our efforts on ensuring all students are exposed to intensive intervention programmes to reach their true potential.
- **Learning and Teaching** - it is our desire to transform learning and teaching ("core business") to the highest standards across the school.
- **Appropriate Curriculum for all** - we recognise the importance of providing the right curriculum to match the needs of each individual student allowing them to achieve their potential.

Public Benefit

The charitable company's objects are set out in this report. The Trustees have complied with their duty to have due regard to public benefit guidance published by the Charity Commission and the Trustees have paid due regard to this guidance in deciding what activities the charitable company should undertake.

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievements and performance

Key Performance Indicators

Copleston High School

The summer of 2018 has delivered a highly successful set of outcomes at both GCSE and A' Level, at a time of transition to new courses and assessment methods at both key stages. A positive value added measure has been achieved in the 6th Form demonstrating significant progress made from the results of 2017. A strong Progress 8 measure at KS4 for the third year running has also highlighted the consistent delivery of successful outcomes over a prolonged period of time. Both of these sets of outcomes have enabled students to access further education, training or employment.

At A' level the average points per entry expressed as a grade was C+ which is a significant improvement on the performance of 2017, with over 20% of all grades achieved being either A* or A. Virtually all students either secured their first choice of university, or began desirable apprenticeships with national renowned companies, or have gone into employment with training.

At GCSE the headline figure of 67% of all students gaining a grade 4 or above in English and Maths represents a very strong set of results in an era of new courses and grades. Performances across English, Maths and Science are strong with some outstanding individual student performances across the results. The majority of students have now progressed to 6th Form, College or Apprenticeships.

Rose Hill Primary School

Achieving expected standard

	2017	2017 Nat	2018	2018 Nat
Reading	78%	72%	67%	75%
Writing	85%	76%	84%	78%
Maths	65%	75%	79%	76%

Going Concern

After making appropriate enquiries, the Board of Trustees has a strong expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it will continue 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.

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FINANCIAL REVIEW

Reserves Policy

The Trustees review the reserve levels of the Trust annually.

This review encompasses the nature of income and expenditure streams and the need to match income with commitments and the nature of reserves. The Trust seeks to hold reserves in order to mitigate the impact of volatile ESFA funding and to cover future staffing needs.

The Trustees have determined that the appropriate level of unrestricted and restricted GAG reserves. This will be no less than £235,000.

The pension reserve is in deficit due to the Trust's share of the LGPS liabilities exceeding its share of the assets. Plans to eliminate the deficit are incorporated into the Trusts' plans by making contributions as recommended by the actuary.

At 31 August 2018 the total funds comprised:

Unrestricted	£201,429
Restricted:	
Fixed asset funds	£18,264,791
GAG	£788,741
Pension reserve	£(1,172,000)
Other restricted general funds	<u>£427,253</u>
	£18,510,214

Deficit

The deficit on the pension reserve relates to the non- teaching staff pension scheme where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 25. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Trust, at the discretion of the Trustees.

Investment Policy

The Trust has discussed with Lloyds Bank rates of return on reserves and is conscious to work within the confines of free banking. The Trust holds no investments with unrequired cash in treasury management only. The Trust has a 32 Day Deposit account with Lloyds Bank

Trustees have discussed security issues and are comfortable with keeping all funds in one place.

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Principal Risks and Uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems and procedures are in place to mitigate exposure to the major risks.

The principal financial risks and uncertainties are centred on changes in the level of funding from the ESFA and a reduction in pupil numbers.

We have robust recruitment processes in place but Teacher recruitment continues to be a concern due to the lack of candidates applying for vacant posts.

The Trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the Academy balance sheet.

The Trust practices risk management principles through its Trustees and the constituted subcommittees. Any major risks highlighted at any sub-committee are brought to the Trustees with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Trustees accept managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Trustees collectively, whilst more minor risks are dealt with by senior executive officers.

Fundraising

The trust actively seeks additional funds and grants to support its charitable objectives. The school always supports the national charity events; namely, *Children in Need*, *Comic Relief*, *Royal British Legion*, *Help for Heroes*, *Christmas Jumper Day*. The trust does not work with any professional fundraisers. Fundraising is closely monitored and controlled by the Principal. There have been no fundraising complaints during the year 2017-18. All students are invited to participate in fundraising activities but participation is always voluntary.

Plans for Future Periods

Gippeswyk Community Educational Trust

Putting children's futures at the heart of a connected community of learners

The Gippeswyk Community Educational Trust is a partnership of schools located in Ipswich and surrounding areas.

We believe in enabling our students' aspirations to be successful academically and socially.

We will unite to make the trust a happy, caring, safe and stimulating learning community, where children are encouraged to progress intellectually, emotionally, physically and socially.

We will develop responsible citizens who become confident individuals that evolve into naturally inquisitive independent learners.

We want our students to learn respect for themselves, others and the environment; to build relationships across the schools in a learning culture of collaboration and sharing.

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TRUSTEES REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

We want students to have the courage to take risks in their learning and the resilience to cope with the challenges that result.

We will help students build their belief in their capability to determine their own futures.

We will provide and nurture staff to become the best workers, teachers and leaders within their communities so every child has the chance to be better educated as a result.

We will promote and employ leaders who have a core responsibility to develop effective leadership in others. Leaders who will support and challenge the contribution each school makes to the trust.

The trust believes in embracing challenge and celebrating success, helping to shape children's futures by demonstrating our shared **values** of:

- Collaboration
- Partnership
- Trust
- Pride
- Resilience

Alongside this, we respect the principled characteristics of each of the communities we work in and how they are reflected in bespoke school cultures. We welcome that diversity, celebrating the distinctive qualities of each of our schools whilst acknowledging that communities, to become sustainable, must develop and grow.

Gippeswyk Community Educational Trust will be our guiding light to that dynamic future. School improvement will be at the heart of every decision we take to promote the growth of the community. We will share that common purpose.

The trust will develop an educational delivery model that balances the autonomy of the trust with autonomy at school level.

We will seek to build relationships with other Multiple Academy Trusts and stakeholders regionally and nationally. Building such relationships, as well as engaging with local authorities and Ofsted, will ensure the trust remains vibrant, innovative and informed to make the best decisions for its students.

Our guiding aims are that:

- each school is well led and governed
- each student is expected to make progress at least in line with, and for many above, national expectations
- all teachers are motivated to be self-improving and aspire to be outstanding in all they do
- all lessons are at least good with many outstanding
- each school has the support of its students, parents and the community.

In working together within and beyond the Trust, we believe in the clarity of what we can offer: that the alliance of our experience and expertise will provide safe, supported futures for our children.

The Trust is committed to a rigorous programme of self-review focused on consistently raising standards in every respect of the Trusts performance.

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TRUSTEES REPORT (continued)
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The Trust intends to use GAG reserves in 2019/20 to complete outstanding projects on the Buildings and ICT Rolling Programs and address a budget shortfall should the Governments Fairer Funding Review not cover estimated costs. See the School Development Plan for more details.

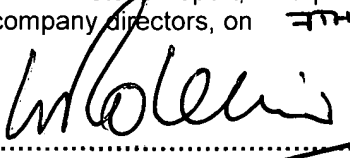
AUDITOR

In so far as the Trustees are aware:

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

The auditor, MHA MacIntyre Hudson, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on **7TH Dec 2018** and signed on the Board's behalf by:


.....
W Robinson
Chair of Trustees

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2018

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 Gippeswyk Community Educational Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 11 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Calvesbert	10	11
M Capp, RO	9	11
V Lamond-Mattocks	9	11
L Richings (from 6 March 2018 to 5 July 2018)	2	2
W Robinson, Chairman	11	11
R Smith	7	11
B Wade	9	11
S Common, CEO	11	11

The key changes in the composition of the Board of Trustees occurred on the 24th August 2017. In preparation for the conversion to a Multi Academy Trust (MAT). The Gippeswyk Community Educational Trust (GCET) was formally established and accepted by the DfE on the 24th August 2017.

A new Members Board was established along with a New Trustee Board made up of existing Copleston Trustees on the 24th August 2017.

Budgeting remains strong within the Trust. We have made savings through careful staff management. The latest Fairer Funding indications are positive and with our new MAT status and planned development we are confident that we will continue to set positive budgets.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Each year the Trustees complete reviews for all sub-committee and main Board of Trustee meetings. This improves the impact and effectiveness of the Board of Trustees.

Each year an Audit of Trustee Skills establishes areas of strengths and weaknesses. Additionally, all Trustees are offered the opportunity of one to one discussions with the Chairman about their role involvement with the Trust.

The Finance and Audit Committee is a sub-committee of the main Board of Trustees.
Its purpose is to:

- To consider the Academy's indicative funding, notified annually by the ESFA, and to assess its implications for the Trust, in consultation with the CEO and CFO, in advance of the financial year, drawing any matters of significance or concern to the attention of the Trustees.
- To consider and recommend acceptance/non-acceptance of the Trust budget, at the start of each financial year.
- To contribute to the formulation of the Trusts development plan, through the consideration of financial priorities and proposals, in consultation with the CEO, with the stated and agreed aims and objectives of the Trust.
- To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan.
- To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Trust and the Academy Financial Handbook, drawing any matters of concern to the attention of the Trustees.
- To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
- To prepare the financial statement to form part of the annual report of the governing body for filing in accordance with Companies Act and Charity Commission requirements.
- To receive auditors' reports and to recommend to the Trustees action as appropriate in response to audit findings.
- To recommend to the Members the appointment or reappointment of the auditors of the Academy.
- To monitor expenditure of all voluntary funds kept on behalf of the Trust.
- To annually review all financial policies.
- To ensure, as far as is practical, that Health and Safety issues are appropriately prioritised.
- To determine whether sufficient funds are available for pay increments as recommended by the CEO.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

No changes have occurred within the Finance committee. Attendance at the Finance Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Common	3	3
W Robinson	2	3
R Calvesbert	3	3
R Smith	3	3
V Lamond-Mattocks	2	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the CEO has responsibility for ensuring that the 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 outcome achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trusts' use of its resources has provided good value for money during each academic year and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Trust has delivered improved value for money during the year by:

Raising Student Attainment

Copleston High School

Full results for 2018 are available through the Academy website – www.copleston.suffolk.sch.uk

A' Level

76% of all students gained 3 or more A' Level in 2018, with 27% of students achieving a Level 3 qualification in Maths. The average points per entry expressed as a grade saw a significant improvement to C+ compared with 2017(C-). This is the direct result of the implementation of a detailed action plan which was regularly monitored through an external consultant, resulting in a positive value added measure in the summer of 2018. A detailed analysis of the 2018 results has now taken place to identify and address any areas requiring improvement in 2018/19.

GCSE

At GCSE, the Progress 8 measure of +0.3, is the third year in a row that the school has produced strong results and is a reflection of the high quality teaching and learning across the school, coupled with the robust curriculum on offer. Early indications are that the Progress 8 score will be well above average. The outcomes for all groups of students is strong, and the new headline measures comparing English and Maths at grade 4 or above (67%) compare very favourably with national data. We anticipate these results will hold up very well when compared with the 2018 data when released later in the year. Students performance in Science in 2018 is exceptionally strong. We now eagerly anticipate the data analysis provided by the government to confirm our strengths and support our identified areas for improvement. Detailed action plans have been put in place to ensure we build on the success of the school in 2018 as we move to 2019.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Rose Hill Primary School

SATs

Reading - was above national in 2017 but has significantly dropped to well below national in 2018. At greater depth is also well below national.

Writing - has been well above national for the last 2 years and at greater depth is also above national.

Maths - has seen a significant improvement from well below national in 2017 to well above national in 2018. At greater depth it is below national

Spag - has been above National for the last 2 years and at greater depth is broadly in line.

Combined - was broadly in line in 2017 but 3% below national in 2018.

Rosehill progress is positive for writing and maths but just negative in reading

Financial Governance and Oversight

As Accounting Officer the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year the review has been informed by:

The Responsible Officer Support Service provided by Schools Choice. This service provides an on-going independent assurance that: -

- the financial responsibilities of the Trustees are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

The audit report compiled by MHA MacIntyre Hudson. This report indicates whether in their opinion;

- the financial statements give a true and fair view;
- have been properly prepared; and
- whether the information given to Governors is consistent with the financial statements.

The 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.

The Trustees approve the budget each year and is mindful of the need to balance expenditure against income to ensure the Trust remains a 'going concern'.

The Trustees approves the Risk Register annually after each committee has reviewed all areas of concern.

The Trustees annually reviews the reserve levels. The Trustees have determined that an appropriate level of free reserves should be maintained to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Better Purchasing

All contracts are appraised or re-negotiated in a timely manner to get the best mix of quality and effectiveness. The Trust is a member of the group purchasing consortium which drives cost savings and efficiencies by effective collaboration.

Economies of Scale

The Trust takes opportunities to work collaboratively with others to reduce administration and procurement costs.

Benchmarking

The Trust benchmarks costs against similar academies locally and nationally. Discussions are held at the Finance and Audit Committee; however, this has not raised potential for areas of savings as we are broadly in line with other academies.

Maximising Income Generation

The Trust explores every opportunity to generate income through the hiring-out of the Trust facilities.

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 on-going process designed to identify and prioritise the risks to the achievement of 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 Gippeswyk Community Educational Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

FOR THE YEAR ENDED 31 AUGUST 2018

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint School's Choice an internal auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the Internal Auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. Gippswyk Community Educational Trust confirms that the schedule of work was delivered as planned.

REVIEW OF EFFECTIVENESS

As Accounting Officer the CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

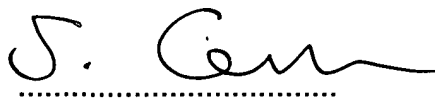
- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Members of the Board of Trustees on **7TH DEC 2018** and signed on its behalf by:



W Robinson
Chair of Trustees



S Common
Accounting Officer

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Gippeswyk Community Educational Trust I have considered my responsibility to notify the Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

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



.....
S Common
Accounting Officer

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who act as Governors of Gippeswyk Community Educational Trust (formerly Copleston High School) and are also the Directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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 then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 of Trustees on 4 December 2018 and signed on its behalf by:


.....
W Robinson
Chair of Trustees

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GIPPESWYK COMMUNITY EDUCATIONAL TRUST**

OPINION

We have audited the financial statements of Gippeswyk Community Educational Trust (the 'Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities (Including the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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.

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GIPPESWYK COMMUNITY EDUCATIONAL TRUST**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GIPPESWYK COMMUNITY EDUCATIONAL TRUST**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the Trust for the purposes of company law) 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 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 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.

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 Trust's Members, 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 Trust's Members 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 Trust and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Miller ACCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditor

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Date:

10/12/2018

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GIPPESWYK COMMUNITY EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

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

This report is made solely to Gippeswyk Community Educational Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Gippeswyk Community Educational Trust 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 Gippeswyk Community Educational Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF GIPPESWYK COMMUNITY EDUCATIONAL TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Gippeswyk Community Educational Trust's funding agreement with the Secretary of State for Education dated 7 July 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the 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 Trust's income and expenditure.

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GIPPESWYK COMMUNITY EDUCATIONAL TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

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

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Date: 10/12/2018

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations & capital grants:						
Transfer on conversion	2	-	(48,153)	2,848,000	2,799,847	-
Other donations and capital grants	2	1,788	-	43,482	45,270	36,099
Charitable activities	3	158,711	9,479,019	-	9,637,730	9,043,281
Other trading activities	4	202,111	24,405	-	226,516	131,006
Investments	5	5,307	-	-	5,307	4,927
TOTAL INCOME		367,917	9,455,271	2,891,482	12,714,670	9,215,313
EXPENDITURE ON:						
Raising funds	6	-	-	-	-	1,327
Charitable activities	7	336,424	9,572,447	527,800	10,436,671	9,878,140
TOTAL EXPENDITURE	6	336,424	9,572,447	527,800	10,436,671	9,879,467
NET BEFORE TRANSFERS		31,493	(117,176)	2,363,682	2,277,999	(664,154)
Transfers between Funds	20	-	(113,684)	113,684	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		31,493	(230,860)	2,477,366	2,277,999	(664,154)
Actuarial gains on defined benefit pension schemes	25	-	764,000	-	764,000	1,456,000
NET MOVEMENT IN FUNDS		31,493	533,140	2,477,366	3,041,999	791,846
RECONCILIATION OF FUNDS:						
Total funds brought forward		169,936	(489,146)	15,787,425	15,468,215	14,676,369
TOTAL FUNDS CARRIED FORWARD		201,429	43,994	18,264,791	18,510,214	15,468,215

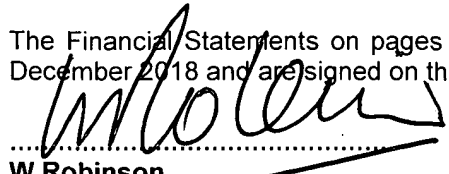
The notes on pages 27 to 55 form part of these Financial Statements.

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07656715

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Intangible assets	15		-		3,431
Tangible assets	16		18,228,785		15,783,994
			18,228,785		15,787,425
CURRENT ASSETS					
Stocks	17	936		968	
Debtors	18	418,690		224,284	
Cash at bank and in hand		1,736,383		1,373,239	
		2,156,009		1,598,491	
CREDITORS: amounts falling due within one year	19	(702,580)		(511,701)	
NET CURRENT ASSETS			1,453,429		1,086,790
TOTAL ASSETS LESS CURRENT LIABILITIES			19,682,214		16,874,215
Defined benefit pension scheme liability	25		(1,172,000)		(1,406,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			18,510,214		15,468,215
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted general funds	20	1,215,994		916,854	
Restricted fixed asset funds	20	18,264,791		15,787,425	
Restricted funds excluding pension liability		19,480,785		16,704,279	
Restricted general funds - pension reserve	20	(1,172,000)		(1,406,000)	
Total restricted funds			18,308,785		15,298,279
Unrestricted funds	20		201,429		169,936
TOTAL FUNDS			18,510,214		15,468,215

The Financial Statements on pages 24 to 55 were approved by the Trustees, and authorised for issue, on 4 December 2018 and are signed on their behalf, by:


W Robinson
Chair of Trustees

The notes on pages 27 to 55 form part of these Financial Statements.

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	296,668	(41,624)
Cash flows from investing activities:			
Investment income		5,307	4,927
Purchase of tangible fixed assets		(121,160)	(89,369)
Capital grants from DfE Group		43,482	36,074
Net cash used in investing activities		(72,371)	(48,368)
Cash flows from financing activities:			
Repayments of borrowings		-	(7,959)
Cash and net assets transferred on conversion to an Academy Trust		138,847	-
Net cash provided by/(used in) financing activities		138,847	(7,959)
Change in cash and cash equivalents in the year		363,144	(97,951)
Cash and cash equivalents brought forward		1,373,239	1,471,190
Cash and cash equivalents carried forward		1,736,383	1,373,239

The notes on pages 27 to 55 form part of these Financial Statements.

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of Financial Statements

The Financial Statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Gippeswyk Community Educational Trust constitutes a public benefit entity as defined by FRS 102. The Financial Statements are prepared in sterling which is the functional currency of the Trust and rounded to the nearest pound.

Gippeswyk Community Educational Trust is a company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operation are detailed on page 1. The nature of the Trust's operations and principal activity are detailed in the Trustees' Report.

1.2 Going concern

The Trustees assess whether the use of the going concern assumption 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 Trust 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.

After making appropriate enquiries, the Board of Trustees has a strong expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Trustees are, however, disappointed that the Government has decided not to pursue its proposal that a fair funding exercise should be adopted for all education establishments. The Trust was likely to benefit from the revised funding proposal but will now find that there is likelihood that it will be forced to use some of its reserves to set a balanced budget. The Trust will continue to review its financial position to attempt to offset this situation and is confident that it will be able to manage this problem in the long term. For this reason it will continue to adopt the going concern basis in preparing the Financial Statements.

1.3 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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.

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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.5 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.

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the Trust apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.6 Intangible fixed assets and amortisation

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Software	- 33.3% straight line
----------	-----------------------

1.7 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, transfers are made to the fixed asset fund.

Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	- Property depreciated over remaining useful economic life (35 years)
Fixtures and fittings	- 10% straight line
Computer equipment	- 33.3% straight line
Motor vehicles	- 20% straight line

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

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Taxation

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

1.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.13 Liabilities and provisions

Liabilities and provisions 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions 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.

1.14 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 18. Prepayments are not financial instruments. 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 costs as detailed in note 19. 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 instruments.

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.15 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.16 Conversion to an Academy Trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Rose Hill Primary to an Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations and Capital Grants - transfer on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.17 Agency arrangements

The Trust acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the 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 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. Where funds have not been fully applied in the accounting period then an amount will be included as amounts due to the ESFA.

1.18 Critical accounting estimates and areas of judgment

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

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- Any change in the valuation of Leasehold property (see note 16) would impact the total net assets of the Trust.

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer on conversion	-	(48,153)	2,848,000	2,799,847	-
Donations	1,788	-	-	1,788	25
Capital Grants	-	-	43,482	43,482	36,074
Subtotal	1,788	-	43,482	45,270	36,099
Total 2018	1,788	(48,153)	2,891,482	2,845,117	36,099
Total 2017	-	25	36,074	36,099	

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3. CHARITABLE ACTIVITIES - FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,871,911	8,871,911	8,374,939
Pupil Premium	-	326,914	326,914	293,021
DfE/ESFA Revenue Grants	23,999	158,392	182,391	41,742
	<u>23,999</u>	<u>9,357,217</u>	<u>9,381,216</u>	<u>8,709,702</u>
Other Government grants				
Local Authority revenue grants	-	63,610	63,610	48,059
Other Government revenue grants	-	27,100	27,100	20,401
	<u>-</u>	<u>90,710</u>	<u>90,710</u>	<u>68,460</u>
Other funding				
Non-Government revenue grants	5,162	31,092	36,254	-
Other income	129,550	-	129,550	265,119
	<u>134,712</u>	<u>31,092</u>	<u>165,804</u>	<u>265,119</u>
Total 2018	<u>158,711</u>	<u>9,479,019</u>	<u>9,637,730</u>	<u>9,043,281</u>
Total 2017	<u>258,140</u>	<u>8,785,141</u>	<u>9,043,281</u>	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings income	117,755	-	117,755	-
Other self generated income	84,356	24,405	108,761	131,006
Total 2018	<u>202,111</u>	<u>24,405</u>	<u>226,516</u>	<u>131,006</u>
Total 2017	<u>51,610</u>	<u>79,396</u>	<u>131,006</u>	

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FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	5,307	-	5,307	4,927
Total 2017	4,927	-	4,927	

6. TOTAL EXPENDITURE

	Staff costs 2018 £	Premises costs 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds	-	-	-	-	1,327
Charitable activities:					
Direct costs	6,540,507	-	924,893	7,465,400	7,424,332
Support costs	1,628,578	412,303	930,390	2,971,271	2,453,808
Total 2018	8,169,085	412,303	1,855,283	10,436,671	9,879,467
Total 2017	7,641,062	931,183	1,307,222	9,879,467	

In 2017, of the total expenditure of £9,879,467, £335,540 was from unrestricted funds, £9,006,238 was from restricted general funds and £537,689 was from restricted fixed asset funds.

7. ANALYSIS OF EXPENDITURE BY CHARITABLE ACTIVITIES

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Educational operations	7,465,400	2,971,271	10,436,671	9,878,140
Total 2017	7,424,332	2,453,808	9,878,140	

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8. TOTAL SUPPORT COSTS

	Raising funds £	Educational operations £	Total 2018 £	Total 2017 £
Defined benefit pension scheme finance cost	-	42,000	42,000	57,000
Technology costs	-	97,798	97,798	56,428
Premises costs	-	412,303	412,303	387,322
Other costs	-	284,610	284,610	171,095
Governance costs	-	20,182	20,182	19,595
Support staff costs	-	1,586,578	1,586,578	1,226,006
Depreciation and amortisation	-	527,800	527,800	537,689
Total 2018	-	2,971,271	2,971,271	2,455,135
Total 2017	1,327	2,453,808	2,455,135	

9. GOVERNANCE COSTS

	2018 £	2017 £
Auditors' remuneration - Audit of the financial statements	11,900	10,250
Auditors' remuneration - Other services	4,250	9,300
Auditors' remuneration - Other services under provision	3,816	-
Trustees' reimbursed expenses	216	45
	20,182	19,595

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of fixed assets:		
- owned by the Trust	524,369	531,218
Amortisation of intangible fixed assets	3,431	6,471
Auditors' remuneration - Audit of the financial statements	11,900	10,250
Auditors' remuneration - Other services	4,250	9,300
Auditors' remuneration - Other services under provision	3,816	-
Operating lease rentals	38,471	36,854

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11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	6,164,259	5,726,008
Social security costs	589,263	549,023
Pension costs	1,308,301	1,123,394
	<u>8,061,823</u>	<u>7,398,425</u>
Agency staff costs	65,262	185,637
Defined benefit pension scheme finance cost	42,000	57,000
	<u><u>8,169,085</u></u>	<u><u>7,641,062</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teaching	135	104
Administration and support	186	148
Management	10	10
	<u>331</u>	<u>262</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	0	2
In the band £80,001 - £90,000	2	0
In the band £130,001 - £140,000	0	1
In the band £140,001 - £150,000	1	0

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions to the staff amounted to £26,431 (2017 - £47,712).

d. Key management personnel

The Key Management Personnel of the Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer national insurance contributions and employer pension contributions) received by Key Management Personnel for their services to the Trust was £811,444 (2017 - £840,592).

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12. CENTRAL SERVICES

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

- School Improvement Services
- Finance
- Governance Structure and Strategies
- Administration Support
- Teaching and Learning
- Internal Audit
- Remote IT Support
- Legal and HR Support

The Trust charges for these services on the following basis:

The Trust charges for these services as a flat 5% of GAG School Budget Share funding.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Copleston High School	206,843	-
Rose Hill Primary	27,775	-
	<u>234,618</u>	<u> </u>
Total	<u>234,618</u>	<u> </u>

13. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and other 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:

		2018 £	2017 £
S Common, Principal and Accounting Officer	Remuneration	145,000-150,000	135,000-140,000
	Pension contributions paid	0-5,000	20,000-25,000
D East, Vice Principal (Staff Trustee)	Remuneration		75,000-80,000
	Pension contributions paid		10,000-15,000
P Mursell-Head, Teacher (Staff Trustee)	Remuneration		35,000-40,000
	Pension contributions paid		5,000-10,000
L Goddard, Head of Year (Staff Trustee)	Remuneration		30,000-35,000
	Pension contributions paid		-

During the year ended 31 August 2018, expenses totalling £216 (2017 - £45) were reimbursed to 3 Trustees (2017 - 1).

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14. TRUSTEES' AND OFFICERS' INSURANCE

The Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

15. INTANGIBLE FIXED ASSETS

	Computer software £
Cost	
At 1 September 2017 and 31 August 2018	46,097
Amortisation	
At 1 September 2017	42,666
Charge for the year	3,431
At 31 August 2018	46,097
Carrying amount	
At 31 August 2018	-
At 31 August 2017	3,431

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16. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2017	17,616,410	532,843	839,230	40,930	19,029,413
Additions	-	-	121,160	-	121,160
Disposals	-	-	-	(6,100)	(6,100)
Transfers on conversion	2,848,000	-	-	-	2,848,000
At 31 August 2018	20,464,410	532,843	960,390	34,830	21,992,473
Depreciation					
At 1 September 2017	2,185,456	342,741	697,770	19,452	3,245,419
Charge for the year	366,658	49,643	101,102	6,966	524,369
On disposals	-	-	-	(6,100)	(6,100)
At 31 August 2018	2,552,114	392,384	798,872	20,318	3,763,688
Net book value					
At 31 August 2018	17,912,296	140,459	161,518	14,512	18,228,785
At 31 August 2017	15,430,954	190,102	141,460	21,478	15,783,994

Included in long-term leasehold property is land at valuation of £6,161,000 (2017 - £5,330,000) which is not depreciated. The land valuation of £6,161,000 includes £831,000 of land from Rose Hill joining the Trust.

The leasehold property was valued on conversion to Academy status in 2012 by Lambert Smith Hampton, a RICS Registered Valuer using the Depreciated Replacement Cost method.

The freehold land and buildings is owned by Suffolk County Council. The Trust holds a 125 year leasehold on a peppercorn rent from 1 July 2011. The property for Rose Hill Primary was valued based on an insurance valuation as an ESFA desktop valuation will not be available until after the accounts are signed.

17. STOCKS

	2018 £	2017 £
Sports centre bar stock	936	968

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18. DEBTORS

	2018 £	2017 £
Trade debtors	890	24
VAT recoverable	179,139	44,023
Prepayments and accrued income	238,661	180,237
	<u>418,690</u>	<u>224,284</u>

19. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	258,785	10,183
Other taxation and social security	151,758	136,693
Amounts repayable to the ESFA	26,887	23,076
Other creditors	12,149	6,353
Accruals and deferred income	253,001	335,396
	<u>702,580</u>	<u>511,701</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	208,085	71,241
Resources deferred during the year	176,854	208,085
Amounts released from previous years	(208,085)	(71,241)
Deferred income at 31 August 2018	<u>176,854</u>	<u>208,085</u>

At the balance sheet date the Trust was holding funds received in advance of;

- Funding from the ESFA for rates relief for September 2018 to March 2019
- Funding from the ESFA to cover MAT conversation and aid School Improvement
- Funding from the Schools Game Organiser for a Grant Award for September 2018 to March 2019
- Income for educational trips occurring during the 2018-19 academic year.

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	169,936	367,917	(336,424)	-	-	201,429
Restricted general funds						
General Annual Grant (GAG)	624,252	9,006,227	(8,728,997)	(112,741)	-	788,741
Pupil Premium	-	326,914	(326,914)	-	-	-
Other DfE / ESFA Revenue grants	16,074	162,923	(96,421)	-	-	82,576
Local Authority Revenue grants	3,292	63,610	(21,286)	(943)	-	44,673
Other Government Revenue grants	597	27,100	(27,150)	-	-	547
Other activities	272,639	24,405	(9,446)	-	-	287,598
Non-Government revenue grants	-	31,092	(19,233)	-	-	11,859
Pension reserve	(1,406,000)	(187,000)	(343,000)	-	764,000	(1,172,000)
	(489,146)	9,455,271	(9,572,447)	(113,684)	764,000	43,994
Restricted fixed asset funds						
NBV of fixed assets	15,787,425	2,848,000	(527,800)	121,160	-	18,228,785
DfE / ESFA Capital grants	-	43,482	-	(7,476)	-	36,006
	15,787,425	2,891,482	(527,800)	113,684	-	18,264,791
Total restricted funds	15,298,279	12,346,753	(10,100,247)	-	764,000	18,308,785
Total of funds	15,468,215	12,714,670	(10,436,671)	-	764,000	18,510,214

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20. STATEMENT OF FUNDS - CURRENT YEAR (continued)

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

The unrestricted General fund represents the Trust's unrestricted fund activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Trust via the Education and Skills Funding Agency (ESFA) by the Department for Education (DfE). The GAG fund has been established because the GAG must be used for the normal running costs of the Trust. During the year, to make up the shortfall in capital income, GAG funds of £112,741 were used on capital expenditure. The transfer from the restricted GAG fund to the NBV of fixed assets fund reflects this spend.

The Pupil Premium fund has been established to recognise the restricted funding from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Other DfE/ESFA Grants fund has been created to recognise the restricted funding received from the DfE/ESFA which fall outside the scope of core funding.

The Local Authority Grants fund has been set up to recognise the income received from Suffolk County Council as a contribution towards the cost of the Trust's revenue expenditure. Funding received for Special Educational Needs is also recognised within Local Authority Grants. These funds are to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The Other Government Grants fund has been set up to recognise the restricted funding received from all other Government bodies which fall outside the scope of core funding.

The Other activities fund has been established to recognise all other restricted income and expenditure which falls outside the scope of the Trust's core funding.

The Pension reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised. The fund is in deficit, but given the nature of the liability this is not payable immediately. Plans are in place to meet the deficit.

The NBV of fixed assets fund has been set up to recognise the tangible assets held by the Trust and is equivalent to the net book value of intangible and tangible fixed assets. Amortisation of intangible fixed assets and depreciation of tangible fixed assets is allocated to this fund. Transfers of £121,160 reflect capital additions bought using capital grants, restricted Local Authority funding and restricted GAG funds.

The DfE/ESFA Capital Grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of fixed asset funds. During the year the brought forward and current capital income was spent on capital expenditure with a transfer being made to the NBV of fixed assets fund.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS - CURRENT YEAR (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Copleston High School	1,224,808	1,086,790
Rose Hill Primary	192,615	-
Total before fixed asset fund and pension reserve	1,417,423	1,086,790
Restricted fixed asset fund	18,264,791	15,787,425
Pension reserve	(1,172,000)	(1,406,000)
Total	18,510,214	15,468,215

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Copleston High School	6,083,926	1,518,147	903,102	724,687	9,229,862	9,341,778
Rose Hill Primary	456,581	110,431	21,791	90,206	679,009	-
	6,540,507	1,628,578	924,893	814,893	9,908,871	9,341,778

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS - CURRENT YEAR (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General funds	190,799	314,677	(335,540)	-	-	169,936
Restricted general funds						
General Annual Grant (GAG)	539,719	8,374,939	(8,237,111)	(53,295)	-	624,252
Pupil Premium	49,843	293,021	(342,864)	-	-	-
Other DfE / ESFA Revenue grants	13,786	41,742	(39,454)	-	-	16,074
Local Authority Revenue grants	-	48,059	(44,767)	-	-	3,292
Other Government Revenue grants	-	20,401	(19,804)	-	-	597
Other activities	275,477	86,400	(89,238)	-	-	272,639
Pension reserve	(2,629,000)	-	(233,000)	-	1,456,000	(1,406,000)
	<u>(1,750,175)</u>	<u>8,864,562</u>	<u>(9,006,238)</u>	<u>(53,295)</u>	<u>1,456,000</u>	<u>(489,146)</u>
Restricted fixed asset funds						
NBV of fixed assets	16,235,745	-	(537,689)	89,369	-	15,787,425
DfE / ESFA Capital grants	-	36,074	-	(36,074)	-	-
Total restricted funds	<u>14,485,570</u>	<u>8,900,636</u>	<u>(9,543,927)</u>	<u>-</u>	<u>1,456,000</u>	<u>15,298,279</u>
Total of funds	<u>14,676,369</u>	<u>9,215,313</u>	<u>(9,879,467)</u>	<u>-</u>	<u>1,456,000</u>	<u>15,468,215</u>

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	190,799	682,594	(671,964)	-	-	201,429
Restricted general funds						
General Annual Grant (GAG)	539,719	17,381,166	(16,966,108)	(166,036)	-	788,741
Pupil Premium	49,843	619,935	(669,778)	-	-	-
Other DfE / ESFA Revenue grants	13,786	204,665	(135,875)	-	-	82,576
Local Authority Revenue grants	-	111,669	(66,053)	(943)	-	44,673
Other Government Revenue grants	-	47,501	(46,954)	-	-	547
Other activities	275,477	110,805	(98,684)	-	-	287,598
Non-Government revenue grants	-	31,092	(19,233)	-	-	11,859
Pension reserve	(2,629,000)	(187,000)	(576,000)	-	2,220,000	(1,172,000)
	<u>(1,750,175)</u>	<u>18,319,833</u>	<u>(18,578,685)</u>	<u>(166,979)</u>	<u>2,220,000</u>	<u>43,994</u>
Restricted fixed asset funds						
NBV of fixed assets	16,235,745	2,848,000	(1,065,489)	210,529	-	18,228,785
DfE / ESFA Capital grants	-	79,556	-	(43,550)	-	36,006
Total restricted funds	<u>14,485,570</u>	<u>21,247,389</u>	<u>(19,644,174)</u>	<u>-</u>	<u>2,220,000</u>	<u>18,308,785</u>
Total of funds	<u><u>14,676,369</u></u>	<u><u>21,929,983</u></u>	<u><u>(20,316,138)</u></u>	<u><u>-</u></u>	<u><u>2,220,000</u></u>	<u><u>18,510,214</u></u>

GIPPESWYK COMMUNITY EDUCATIONAL TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2018 £	Restricted general funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	18,228,785	18,228,785
Current assets	904,009	1,215,994	36,006	2,156,009
Creditors due within one year	(702,580)	-	-	(702,580)
Defined benefit pension scheme liability	-	(1,172,000)	-	(1,172,000)
	<u>201,429</u>	<u>43,994</u>	<u>18,264,791</u>	<u>18,510,214</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	3,431	3,431
Tangible fixed assets	-	-	15,783,994	15,783,994
Current assets	681,637	916,854	-	1,598,491
Creditors due within one year	(511,701)	-	-	(511,701)
Defined benefit pension scheme liability	-	(1,406,000)	-	(1,406,000)
	<u>169,936</u>	<u>(489,146)</u>	<u>15,787,425</u>	<u>15,468,215</u>

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22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	2,277,999	(664,154)
Depreciation and amortisation charges		
Depreciation and amortisation charges	527,800	537,689
Investment income	(5,307)	(4,927)
Decrease/(increase) in stocks	32	(236)
Increase in debtors	(111,616)	(21,012)
Increase/(decrease) in creditors	112,801	(85,910)
Capital grants from DfE and other capital income	(43,482)	(36,074)
Defined benefit pension scheme obligation inherited	187,000	-
Defined benefit pension scheme cost less contributions payable	301,000	176,000
Defined benefit pension scheme finance cost	42,000	57,000
Fixed assets transferred on conversion	(2,852,712)	-
Cash transferred on conversion	(138,847)	-
Net cash provided by/(used in) operating activities	296,668	(41,624)

23. ANALYSIS OF CASH AND BANK

	2018 £	2017 £
Cash at bank and in hand	1,736,383	1,373,239
Total	1,736,383	1,373,239

24. CONVERSION TO AN ACADEMY TRUST

On 1 March 2018 Rose Hill Primary converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Gippeswyk Community Educational Trust from Suffolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations and Capital Grants - transfer on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

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24. CONVERSION TO AN ACADEMY TRUST (continued)

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	2,848,000	2,848,000
Budget surplus/(deficit) on LA funds	-	138,847	-	138,847
LGPS pension surplus/(deficit)	-	(187,000)	-	(187,000)
Net assets/(liabilities)	-	(48,153)	2,848,000	2,799,847

The above net assets include £138,847 that were transferred as cash.

25. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Suffolk County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £678,063 (2017 - £655,853).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

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25. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £416,867 (2017 - £368,126), of which employer's contributions totalled £329,239 (2017 - £291,540) and employees' contributions totalled £87,628 (2017 - £76,586). The agreed contribution rates for future years are 22.2% to 30.3% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Commutation of pensions to lump sums (pre April 2008)	25.00 %	25.00 %
Commutation of pensions to lump sums (post April 2008)	63.00 %	63.00 %

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

	2018	2017
Retiring today		
Males	21.9	21.9
Females	24.4	24.4
Retiring in 20 years		
Males	23.9	23.9
Females	26.4	26.4

	At 31 August	At 31 August
Sensitivity analysis	2018	2017
	£'000	£'000
Discount rate +0.1%	(156)	(147)
Discount rate -0.1%	156	147

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25. PENSION COMMITMENTS (continued)

The Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	3,196,000	2,900,000
Debt instruments	1,392,000	896,000
Property	516,000	427,000
Cash	52,000	42,000
Total market value of assets	<u>5,156,000</u>	<u>4,265,000</u>

The actual return on scheme assets from 1 October 2017 to 30 June 2018 was 3.7% to 5.3% (1 October 2016 to 30 June 2017 - 12.1%).

The amounts recognised in the Statement of Financial Activities are as follows:

	2018 £	2017 £
Current service cost	(556,000)	(467,000)
Interest income	114,000	79,000
Interest cost	(156,000)	(136,000)
Total	<u>(598,000)</u>	<u>(524,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	5,671,000	6,229,000
Upon conversion	500,000	-
Current service cost	556,000	467,000
Interest cost	156,000	136,000
Employee contributions	88,000	76,000
Actuarial gains	(646,000)	(1,188,000)
Benefits paid	(47,000)	(49,000)
Closing defined benefit obligation	<u>6,278,000</u>	<u>5,671,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. PENSION COMMITMENTS (continued)

Movements in the fair value of the Trust's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	4,265,000	3,600,000
Upon conversion	313,000	-
Interest income	114,000	79,000
Actuarial losses	118,000	268,000
Employer contributions	255,000	291,000
Employee contributions	88,000	76,000
Benefits paid	(47,000)	(49,000)
Closing fair value of scheme assets	<u>5,106,000</u>	<u>4,265,000</u>

Reconciliation of opening to closing Defined Benefit Pension Scheme liability

	2018 £	2017 £
Defined benefit pension scheme liability at 1 September	1,406,000	2,629,000
Transfers in from new academies	187,000	-
Defined benefit pension scheme cost less contributions payable	301,000	176,000
Defined benefit pension scheme finance cost	42,000	57,000
Actuarial gains on defined benefit pension schemes	(764,000)	(1,456,000)
Defined benefit pension scheme liability at 31 August	<u>1,172,000</u>	<u>1,406,000</u>

The amounts recognised in the Balance Sheet are as follows:

	2018 £	2017 £
Present value of the defined benefit obligation	(6,278,000)	(5,671,000)
Fair value of scheme assets	5,106,000	4,265,000
Total	<u>(1,172,000)</u>	<u>(1,406,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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26. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	36,665	34,317
Between 1 and 5 years	3,527	34,332
Total	40,192	68,649

27. POST BALANCE SHEET EVENTS

From 1 September 2018, Britannia Primary School and Nursery joined the Trust. The value of this academy will be transferred in during the next accounting period.

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Trust made payments of £29,379 (2017 - £NIL) to K Calvesbert, the wife of R Calvesbert, a Trustee of the Academy Trust, for her role as Exams Officer. There was a balance of £3,059 (2017 - £NIL) due to K Calvesbert as at 31 August 2018. K Calvesbert was paid in line with the Trust's pay scales for the role and R Calvesbert had no involvement in the decision to employ K Calvesbert or in the setting of her pay. In both regards, the Trust's standard policies were adhered to.

29. CONTROLLING PARTY

There is no ultimate controlling party.

30. COMPANY LIMITED BY GUARANTEE

The Trust is a company limited by guarantee and does not have share capital.

31. 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.

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NOTES TO THE FINANCIAL STATEMENTS
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32. AGENCY ARRANGEMENTS

The Trust administers the distributions of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. During the year the Trust received £25,421 (2017 - £25,994) and disbursed £20,338 (2017 - £26,121). £1,272 (2017 - £1,300) was retained to cover administration expenses. A balance of £26,887 (2017 - £23,076) was repayable to the ESFA as at the balance sheet date and is included within creditors.