

Company Registration Number: 08410002 (England & Wales)

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

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GLYNE GAP SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	A D Phillips T Henning S D Lamb
Trustees	T Newstead ¹ A D Phillips, Deputy Chair of Trustees ¹ K Prawanna, Headteacher and Accounting Officer ¹ M Rowland S D Lamb, Chair of Trustees ¹ member of the Resources Committee
Company registered number	08410002
Company name	Glyne Gap School
Principal and registered office	School Place Hastings Road Bexhill on Sea East Sussex TN40 2PU
Company secretary	B Smart
Senior management team	K Prawanna, Headteacher B Clarke, Assistant Headteacher J Gosling, Assistant Headteacher S Tidmarsh, Assistant Headteacher B Smart, Business Manager
Independent auditors	Cooper Parry Group Limited Chartered Accountants Registered Auditors Park View One Central Boulevard Blythe Valley Park Solihull West Midlands B90 8BG
Bankers	Natwest Bank Devonshire Road Bexhill on Sea TN40 1GW
Solicitors	Brown Jacobson LLP 1 Manor Court Dix's Field Exeter Devon EX1 1UP

GLYNE GAP SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

The Trust operates as an Academy Trust for pupils aged 2 to 19 serving a catchment area in Hastings and Rother. The Trust has a commissioned places agreement for 105 pupils with 117 pupils currently enrolled based on the spring 2021 Census..

Structure, governance and management

a. 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 Trust.

The Trustees are also the Directors of the charitable company for the purposes of company law. The charitable company operates as Glyne Gap School.

Details of the Trustees who served throughout the year, and to the date the approval of this report and the financial statements are included in the Reference and administrative details on page 1. There have not been any changes in the composition of the Board of Trustees during this reporting period.

b. 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.

c. Trustees' indemnities

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

d. Method of recruitment and appointment or election of Trustees

The Trust shall have the following Trustees, as set out in its Articles of Association and funding agreement:

- The Headteacher;
- Any staff Trustees;
- Up to three community Trustees; and
- A minimum of two parent Trustees, with one of these positions being recruited.

Trustees are appointed for a 4 year period, except that this time limit does not apply to the Headteacher where they have agreed to be appointed as a Trustee or where they are automatically appointed as a Trustee under the Articles of Association. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's ongoing development.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the School and a meeting with staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. All new Trustees also have the opportunity to undertake National Governor Association training and all Trustees receive regular National Governor Association updates. As new Trustee appointments are minimal, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various external organisations as appropriate with the clerk taking responsibility for addressing training needs for the Trustees. The Chair of Trustees circulates a regular Governors Newsletter to ensure all Trustees are aware of issues of governance alongside the strategic and operational running of the Academy Trust.

f. Organisational structure

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments.

The Board of Trustees normally meets in full four times each year. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are three Committees of the Board of Trustees as follows:

- Resources (including Audit)
- Teaching and Learning
- Safeguarding

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

In addition to the above, a Strategic Governors Group meets 3 times a year (which also reviews Headteacher performance management).

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Headteacher

The Trustees have devolved the day-to-day management of the Academy Trust to the Senior Leadership Team ('SLT'), which is led by the Headteacher. The SLT comprises the Headteacher, Assistant Headteachers and the School Business Manager. The Headteacher is the Academy Trust's Accounting Officer and has overall responsibility for the day-to-day financial management of the Academy Trust. The SLT implements the policies laid down by the Trustees and reports back to them on these and the Academy Trust's overall performance.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day to day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 12 of the financial statements respectively. The pay of the senior management team is reviewed annually by the Resources Committee in line with the Academy Trust's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff.

h. Related parties and other connected charities and organisations

There are no related parties or connected organisations which either control or significantly influence the decisions and operations of the Academy Trust.

i. Trade Union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require specified public-sector employers to report annually on paid time off provided to trade union representatives for trade union duties and activities. No employees of the Academy Trust were relevant Trade Union officials during the 2020/21 year and nor was any paid time off for Trade Union activities provided by the Academy Trust during the year.

Objectives and activities

a. Objects and aims

The principal objects of the Academy Trust, as set out in its Articles of Association, are 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; and
- Promote for the benefit of the inhabitants of Hastings/Rother 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, disablement, financial hardship or social and economic circumstances 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.

The key aims of the Academy Trust during the year ended 31 August 2021 are summarised below:

- Maintain, manage and develop Glyne Gap School across all sites
 - Glyne Gap School, Hastings Road, Bexhill on Sea
 - Glyne Gap Faculty, Bexhill College, Penland Road, Bexhill on Sea
 - Glyne Gap Nursery, Hastings Road, Bexhill on Sea
 - Independent living suite, Victoria Road, Bexhill on Sea
- Ensure the learning and wellbeing of all pupils and students
- Complete all aspects of the school development plan
- Ensure that robust financial management systems are in place, in line with ESFA guidance
- Support the wellbeing of our pupils and staff during the Covid-19 outbreak.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Objectives, strategies and activities

The key priorities for the year are contained in the Academy Trust's Development Plan and are summarised below:

- Continue to maintain the highest possible standards of provision and outcomes for pupils at the school
- To ensure financial stability for the school over the next 3-year period
- To continue to be OFSTED outstanding

The key activities of the Academy Trust for the year ended 31 August 2021 were focused as follows:

- Ensure the school completes its recovery assessment and subsequent curriculum in a timely manner. This activity has been completed leading to an outcome of pupils across the school receiving a personalised curriculum that addresses their current needs. Trustees have acknowledged that is not possible to provide quantitative/comparable data to evidence this outcome and rely on the qualitative data provided to Trustees and endorsed via external monitoring.
- Ensure operational direction for after school and holiday clubs. Achieved. The Academy Trust worked in partnership to offer a summer holiday club.
- Ensure section 175 safeguarding audit update takes place before February 2021 and any actions resulting from this are completed in a timely manner. Achieved and evidenced through external monitoring.
- Work with external partners to understand the complexities of our current financial situation and find appropriate ways forward. This is an ongoing activity and Strategic Governance minutes detail the progress made, with the School Development plan outlining next steps.
- Enhance the depth of expertise in the teaching and learning of PSHE as an essential area and ensure school is meeting RSE 2020 requirements. Achieved (in part). Whilst the school is meeting RSE 2020 requirements, there is an acknowledgement that there is further work to be done in enhancing teacher confidence.

The Academy Trust acknowledges that managing the impact of the pandemic has had to be prioritised at different points in the school year and, in addition, the workload of leaders across the school has had to be managed to enable a timely response to these ebbs and flows. Therefore a small number of key activities have had to be moved to the subsequent year's development plan. These include:

- To continue to explore the strategic development of the school taking advantage of its academy status to extend the offer to pupils.
- Ensure online safety is taught systematically (to pupils for whom it is relevant) and their parents have a good understanding of the issues.
- School to invite external review of its practices in meeting pupils' health and care needs and any actions from this are completed in a timely manner

The Academy Trust acknowledged that the impact of the pandemic would continue to be felt and continue to be unpredictable through 20/21. A number of key focuses to ensure continued operational success were set at the start of the year including:

- To ensure school pupils, families and staff work through 2020/2021 safely, confidently, and resiliently.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

- Continue to update the school's risk assessment and contingency arrangements in response to school events and changes in local and national guidance.
- Manage arrangements for the health and safety of pupils and staff, particularly those at high risk, as the pandemic progresses.
- Continue to ensure timely and effective communication with all school stakeholders.
- Respond to ongoing issues of professional fatigue, anxiety, and resilience across all members of the school staff team and wider community.
- Ensure any gaps in curriculum provision or pupil progress/outcomes resulting from COVID-19 pandemic are successfully addressed using a recovery curriculum/teaching and learning.

The Academy Trust is confident that these outcomes have been achieved (as evidenced in the school's self evaluation document, Local Authority monitoring report and responses to parental/staff questionnaire). Learning and further development from the past year in this area can be seen in the school's self evaluation and improvement planning documentation.

c. Public benefit

The Academy Trust aims to advance for the public benefit education in Hastings and Rother area and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community. The details of the particular activities of the Academy Trust during the year and how these have provided public benefit are detailed in the Achievements and Performance section below.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

Strategic report

Achievements and performance

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Academy Trust is committed to continual improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The particular achievements and performance of the Academy Trust during the year ended 31 August 2021 were as follows:

- Maintain positive morale and operational standards throughout COVID-19 period
- School stayed open to pupils throughout lockdowns and the impact of COVID-19
- Provided holiday club offer to families during the Summer holidays
- Successful management of school resources despite additional costs related to COVID-19

In addition, the school believes that Glyne Gap School continues to be an outstanding school

- The quality of education is outstanding
- Behaviour and attitudes are outstanding
- Personal Development is good
- Leadership and Management is outstanding
- Safeguarding is effective

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

(continued)

This view is supported by:

- Ofsted report May 2019
- East Sussex SLES standards and effectiveness reports October 2019/20/21
- East Sussex SLES safeguarding review March 2019
- Parent Questionnaire collated responses September 2021:
 - 'The school has been amazing and fantastic during the pandemic, we couldn't ask for more'
 - 'The school work really hard on getting the best out of my child'
 - 'The Communication Team are a wonderful and skilled asset to the school'
 - 'My son loves school and he can never wait to go back'

Key performance indicators

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2021, the balance of the unrestricted and restricted income reserves was £862,236 (2020 - £874,786), which is after transfers of £36,563 to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers are also a key performance indicator. The pupil number of pupils on roll at the year-end was 118 (112 at 31 August 2020) which is a 6% increase.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and / or Local Authority) for the year was 86.3% (2020: 87.1%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 87.0% (2020: 84.9%).

a. Going concern

As only 50% of funding is guaranteed for the year, any change in the number of pupils on roll can be significant to the Academy's ability to operate as a going concern. The Headteacher reviews the number on roll on a monthly basis and liaises with the local authority regarding possible new pupils, as they are responsible for admissions to the school. The Academy Trust completes five year forecasts (three years of which are in depth) to enable the Board of Trustees to consider its operations existence.

The Board of Trustees are aware that due to staffing cost increases reserves will need to be used in the coming years. The Headteacher and other ESCC special schools are in consultation with the Local Authority regarding this position.

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

COVID-19 has not impacted the Academy Trust's financial sustainability or consideration of going concern.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

a. Review of the year

For the year ended 31 August 2021, the Academy Trust's total income (excluding capital grants) was £2,591,607 (2020 - £2,507,040) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £2,567,595 (2020 - £2,545,192), resulting in a net operating surplus for the year of £24,012 (2020 - £38,152 net operating deficit).

The balance of reserves at 31 August 2021, excluding the restricted fixed asset funds and LGPS liability fund was £862,236 (2020 - £874,786).

COVID-19 has not impacted the Academy Trust's financial sustainability or consideration of going concern. Mass Testing funding was used to subsidise additional costs incurred e.g. cleaning (both staff costs and supplies), site costs and additional equipment. Spending of COVID catch-up funding has been reported on the school's website

The net book value of fixed assets at 31 August 2021 were £2,221,808. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £2,703,000 (2020 - £1,886,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy. Further details regarding the deficit in the LGPS at 31 August 2021 are set out in note 22 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

b. Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of reserves should be approximately 10% of total income (approximately £250,000). This is to provide sufficient working capital to cover:

- delays between spending and receipts of grants.
- unexpected emergencies such as urgent maintenance, structural defects.
- long term teacher absence/support staff absence, or (in the worst case scenario) the closure of the Academy Trust.
- improvements to the security of the school site.
- improvements to outside space for older pupils.
- improving school vehicles

The Headteacher can approve expenditure from reserves, but this will only be for fixed costs not related to day to-day running costs of the school. For example, SaLT for one term. These costs will be reported to the Resources Committee on a termly basis.

Should the reserves fall below the agreed amount, then reserves will be monitored by the Chair of Trustees on a monthly basis.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Academy Trust's current level of operating reserves at 31 August 2021 is £862,236 (2020 - £874,786), which is made up of restricted income reserves of £700,790 (2020 - £713,165) and unrestricted funds of £161,446 (2020 - £161,622).

Although the current level of operating reserves is above the target level identified above, the Trustees expectation is that these reserves will be utilised over the next few years to fund the ongoing development of the Academy Trust, including the need to retain key staff in light of the increasing cost pressures in future years and the need to fund ongoing capital projects and developments.

The value of the restricted fixed asset fund at 31 August 2021 is £2,221,808 (2020 - £2,275,449), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2021 of £2,703,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make accelerated pension contributions over a number of years in order to fund the deficit. These accelerated pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

COVID-19 did not have an impact on the Academy Trust's reserves policy or levels of reserves. However, the Reserves Policy was amended to include possible future costs of a pandemic as we cannot rely on receiving funding for such events in the future.

c. Investment policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. On a daily basis this is achieved by automatic transfer of surplus funds to an overnight deposit account with the Academy Trust's principal bankers. Where cash flow allows, sums in excess of working capital requirements may be invested on deposit for extended periods with the Academy Trust's principal bankers or other reputable financial institutions..

d. Principal risk and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health & safety and safeguarding, and in relation to the control of finances and strategical development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register. Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards across all key stages. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA and Local Authority. In the year, approximately 99% of the Academy Trust's income was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light of continuing changes in the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs and National Insurance costs, and premises costs associated with an old building will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future.

The Trustees examine the financial health of the Academy Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance and Resources Committee meetings. A local authority advisor is working with the school to benchmark staffing levels and costs.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. Despite the COVID-19 outbreak the Trust was still able to fill vacancies when they arose.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Fraud and mismanagement of funds

The Academy Trust has engaged SAAF Education to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

Fundraising

The Academy Trust has not undertaken any material fundraising activities during the year ended 31 August 2021. This was predominantly due to the COVID-19 outbreak.

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TRUSTEES' REPORT (CONTINUED)
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Plans for future periods

The Academy Trust's plans for future periods are as summarised below with detailed plans of how to achieve these objectives available from the Headteacher.

Finance

- To seek to ensure financial stability for the school.

Leadership

- Develop and implement a 3-to-5-year plan to increase leadership capacity of the senior leadership team and governing body.
- Address the current vacancy for a Professional Adviser to the Governing Body.

Wellbeing

- Further develop the school's wellbeing provision.

After School and Holiday Clubs

- Engage with stakeholders to develop a plan to provide after school and holiday club provision.

Covid-19 Pandemic

To continue to respond to issues arising from the Covid-19 Pandemic.

Learning from Home

- Improve parental confidence in the school's learning from home provision.

Quality of Education

- Continue to maintain the highest quality of education at the school.
- Develop and implement a two/three-year strategic plan to ensure pupils who use AAC systems to support communication, behaviour, and attitude to learning, show the same levels of achievement at home as they do at school.
- Develop and implement a three-year plan to ensure higher attaining pupils receive a curriculum that meets their aspirations.
- Extend the skills of pupils working towards subject specific learning within literacy.
- Develop and implement a two-year plan to ensure that all pupils receive a careers education that is allied to the Gatsby Benchmarks.
- Ensure the quality of leadership and management of the school's safeguarding work is maintained

The Academy Trust acknowledges that it may continue to feel the impact of the pandemic and Trustees, alongside school leaders, will review future plans, activities and expectations regularly.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Funds held as custodian on behalf of others

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that 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 auditors are aware of that information.

Auditors

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 13 December 2021 and signed on its behalf by:



A D Phillips
Deputy Chair of Trustees

GLYNE GAP SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, 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 Glyne Gap School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 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
T Newstead	4	4
A D Phillips	4	4
K Prawanna	4	4
M Rowland	4	4
S D Lamb	4	4

The Board of Trustees reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust. The Board of Trustees are however aware that they will need to expand and strengthen to ensure sustainability and this is recognised in the 21/22 development plan.

Although the Board of Trustees met less than six times during the year, they have maintained effective financial oversight and governance through the formal work undertaken by the Resources Committee (which incorporates the Audit Committee) as detailed further below.

Resources Committee

The Resources Committee is a sub-Committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust. This committee also acts as the Academy Trust's Audit Committee, where its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework. The minutes of this sub-Committee's meetings are provided to the full Board of Trustees and the Chair of this sub-Committee reports to each full Board of Trustee meeting on the key matters considered at their meetings and the impact for consideration by the full Board of Trustees.

Attendance at meetings of the Resources Committee during the year was as follows:

Trustee	Meetings attended	Out of a possible
T Newstead	3	3
A D Phillips	3	3
K Prawanna	3	3
S D Lamb	1	1

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The key issue dealt with by the Finance Committee during the year was the review of the Academy Trust's 3 and 5 year financial forecasts and the actions required to address the reduced funding expected over this period. The other key issue dealt with by the Committee during the year was the review of the internal scrutiny report from SAAF Education in relation to the Trust's systems of internal control and the actions undertaken to address the control weaknesses identified.

Our scheme of delegation was not affected by the COVID-19 outbreak, although some staff were working remotely and this did affect some of our practices. Below is a schedule of how many times the individual Committees met. This year no meetings were disrupted by the COVID-19 outbreak, although some Trustees attended remotely.

Election Meeting	Full Governors	Resources (Including Audit) committee	Teaching and Learning committee	Safeguarding committee
1	3	3	3	3

Review of value for money

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

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

- Continuing to deliver outstanding teaching and learning, this was achieved with the GAG and Top Up funding allocated to the Academy Trust.
- Good internal financial controls which are externally moderated.
- Encouraging robust challenges at all meetings.

The Academy was unable to obtain three quotes for the replacement of an oil boiler with a gas boiler (£47,000). Following advice from Cooper Parry, the quote from a local company was accepted. This was because it was within the budget allocated by trustees and the supplier was known to the school, having been reliable and offered good value in previous projects.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Glyne Gap School for the period from 1 September 2020 to 31 August 2021 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 Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period from 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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 Resources 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.
- identification and management of risks.

The Board of Trustees has decided to employ SAAF Education as internal auditor for 2020/2021. This work had previously been undertaken by Cooper Parry, but the change was made due to changes introduced by the Financial Reporting Council's revised Ethical Standards for Auditors.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial and other systems. As the internal auditor was unfamiliar with the trust's policies and procedures they were asked to undertake a review of financial processes, controls and procedures.

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

SAAF Education has delivered their program of work during the year ended 31 August 2021 as planned. A number of internal control weaknesses were identified from the work completed and the Trustees and management have developed an action plan to address these weaknesses and improve internal controls over the next 3 months.

Review of effectiveness

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

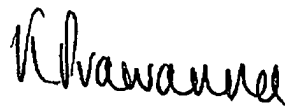
- the work of the external auditors;
- the work of the internal reviewer;
- the financial management and governance self-assessment process, including the School Resource Management Self-Assessment Tool;
- work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 13 December 2021 and signed on their behalf by:



A D Phillips
Deputy Chair of Trustees



K Prawanna
Accounting Officer

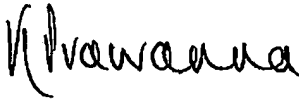
GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Glyne Gap School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2020.

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.



K Prawanna
Accounting Officer

Date: 13 December 2021

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2021

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

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 13 December 2021 and signed on its behalf by:



A D Phillips
Deputy Chair of Trustees

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GLYNE GAP SCHOOL

Opinion

We have audited the financial statements of Glyne Gap School (the 'Academy Trust') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2021 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GLYNE GAP SCHOOL (CONTINUED)

Other information

The other Information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has 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 Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters 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.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GLYNE GAP SCHOOL (CONTINUED)

Auditors' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our assessment focussed on key laws and regulations the Academy Trust has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, the Academies Financial Handbook 2020, the Academies Accounts Direction 2020 to 2021, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the Academy Trust and how the Academy Trust is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the Academy Trust's control environment and how the Academy Trust has applied relevant control procedures, through discussions with Trustees and other management and by reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year and by performing walkthrough testing over key areas;
- obtaining an understanding of the Academy Trust's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation..

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 Auditors' Report. This description forms part of our Auditors' Report.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GLYNE GAP SCHOOL (CONTINUED)

Use of our report

This report is made solely to the Academy'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 Academy's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Atkins FCA

Simon Atkins FCA (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Registered Auditors

Park View

One Central Boulevard

Blythe Valley Park

Solihull

West Midlands

B90 8BG

17 December 2021

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GLYNE GAP SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Glyne Gap School during the year 1 September 2020 to 31 August 2021 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 Glyne Gap School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Glyne Gap School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Glyne Gap School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Glyne Gap School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Glyne Gap School's funding agreement with the Secretary of State for Education dated 1 October 2014 and the Academies Financial Handbook, extant from 1 September 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities, including reviewing the reports on the internal scrutiny work commissioned by the trust in relation to the year.
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Casper Parry Group Ltd.

Reporting Accountant
Cooper Parry Group Limited
Chartered Accountants
Registered Auditors
Park View
One Central Boulevard
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Date: 17 December 2021

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:						
Donations and capital grants	3	3,762	-	9,599	13,361	32,894
Other trading activities	5	1,316	-	-	1,316	(822)
Investments	6	101	-	-	101	2,344
Charitable activities	4	-	2,586,428	-	2,586,428	2,480,242
Total income		5,179	2,586,428	9,599	2,601,206	2,514,658
Expenditure on:						
Charitable activities	7	5,355	2,928,240	99,803	3,033,398	2,954,738
Total expenditure		5,355	2,928,240	99,803	3,033,398	2,954,738
Net expenditure		(176)	(341,812)	(90,204)	(432,192)	(440,080)
Transfers between funds	16	-	(36,563)	36,563	-	-
Net movement in funds before other recognised gains/(losses)		(176)	(378,375)	(53,641)	(432,192)	(440,080)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	22	-	(451,000)	-	(451,000)	(305,000)
Net movement in funds		(176)	(829,375)	(53,641)	(883,192)	(745,080)
Reconciliation of funds:						
Total funds brought forward	16	161,622	(1,172,835)	2,275,449	1,264,236	2,009,316
Net movement in funds	16	(176)	(829,375)	(53,641)	(883,192)	(745,080)
Total funds carried forward		161,446	(2,002,210)	2,221,808	381,044	1,264,236

The notes on pages 27 to 49 form part of these financial statements.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08410002

BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	13		2,221,808		2,251,946
Current assets					
Debtors	14	18,183		20,576	
Cash at bank and in hand		1,058,548		1,064,041	
		1,076,731		1,084,617	
Creditors: amounts falling due within one year	15	(214,495)		(186,327)	
Net current assets			862,236		898,290
Total assets less current liabilities			3,084,044		3,150,236
Net assets excluding pension liability			3,084,044		3,150,236
Defined benefit pension scheme liability	22	(2,703,000)		(1,886,000)	
Total net assets			381,044		1,264,236
Funds of the Academy Trust					
Restricted funds:					
Fixed asset funds	16	2,221,808		2,275,449	
Restricted income funds	16	700,790		713,165	
Pension reserve	16	(2,703,000)		(1,886,000)	
Total restricted funds	16		219,598		1,102,614
Unrestricted income funds	16		161,446		161,622
Total funds			381,044		1,264,236

The financial statements on pages 24 to 49 were approved by the Trustees, and authorised for issue on 13 December 2021 and are signed on their behalf, by:



A D Phillips
Deputy Chair of Trustees

The notes on pages 27 to 49 form part of these financial statements.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	18	54,472	90,503
Cash flows from investing activities	19	(59,965)	(17,532)
Change in cash and cash equivalents in the year		(5,493)	72,971
Cash and cash equivalents at the beginning of the year		1,064,041	991,070
Cash and cash equivalents at the end of the year	20, 21	<u>1,058,548</u>	<u>1,064,041</u>

The notes on pages 27 to 49 form part of these financial statements

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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 Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2020 to 2021 Issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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 and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.4 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.5 Income

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

- **Grants**

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

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

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

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

1.6 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.

Charitable activities and Governance costs are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.8 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a reducing balance basis over its expected useful life.

Depreciation is provided on the following bases:

Leasehold land	- not depreciated
Long-term leasehold buildings	- 2% straight line
Fixtures and fittings	- 20% straight line
Plant and equipment	- 25% straight line
Computer equipment	- 25% 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 incorporating Income and Expenditure Account.

1.9 Operating leases

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

1.10 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.

1.11 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.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.12 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 Academy 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.

1.13 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

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

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

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 25.

GLYNE GAP SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.15 Financial Instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases 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 14. 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 cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2. 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.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Income from donations and capital grants

	Unrestricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Donations	3,762	-	3,762
Capital Grants	-	9,599	9,599
	<u>3,762</u>	<u>9,599</u>	<u>13,361</u>

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	25,276	-	25,276
Capital Grants	-	7,618	7,618
	<u>25,276</u>	<u>7,618</u>	<u>32,894</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Funding for the Academy Trust's educational operations

	Restricted funds 2021 £	Total funds 2021 £
General Annual Grant from ESFA	1,050,000	1,050,000
Other DfE/ESFA grants		
Pupil Premium	46,947	46,947
Other DfE Group grants	30,699	30,699
	<hr/> -	<hr/> 1,127,646
Other Government grants		
Local Authority grants	1,404,292	1,404,292
	<hr/> 1,404,292	<hr/> 1,404,292
COVID-19 additional funding (DfE/ESFA)		
COVID Catch-up Premium	25,920	25,920
	<hr/> 25,920	<hr/> 25,920
COVID-19 additional funding (non-DfE/ESFA)		
COVID Mass Testing grants	28,570	28,570
	<hr/> 28,570	<hr/> 28,570
	<hr/> <hr/> 2,586,428	<hr/> <hr/> 2,586,428

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department of Education and the ESFA, the academy trust's funding for various grants previously aggregated together as Other DfE/ESFA grants are now reported as separate grants under the heading of Other DfE/ESFA grants above. The prior year comparatives have been reclassified accordingly.

The Academy Trust received £25,920 of funding for COVID catch-up premium and costs incurred in respect of this funding totalled £15,920, with the remaining balance of £10,000 to be expended during the year ending 31 August 2022.

GLYNE GAP SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Funding for the Academy Trust's educational operations (continued)

	Restricted funds 2020 £	Total funds 2020 £
DfE/ESFA grants		
General Annual Grant	1,106,560	1,106,560
Other DfE/ESFA grants		
Pupil Premium	44,288	44,288
Other DfE Group grants	36,336	36,336
	-	1,187,184
Other Government grants		
Local Authority grants	1,287,262	1,287,262
	1,287,262	1,287,262
COVID-19 additional funding (DfE/ESFA)		
COVID Exceptional Costs funding	5,796	5,796
	5,796	5,796
	2,480,242	2,480,242

The funding received for COVID exceptional costs funding covered £5,796 of PPE and other costs reclaimed which are included in the costs in note 7 below.

5. Income from other trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
Other income	1,316	1,316
	1,316	1,316

	Unrestricted funds 2020 £	Total funds 2020 £
Other income	(822)	(822)
	(822)	(822)

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Bank interest	101	101

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	2,344	2,344

7. Expenditure

	Staff Costs 2021 £	Premises 2021 £	Other 2021 £	Total 2021 £
Educational operations:				
Direct costs	1,943,507	-	81,718	2,025,225
Allocated support costs	626,811	233,659	147,703	1,008,173
	<u>2,570,318</u>	<u>233,659</u>	<u>229,421</u>	<u>3,033,398</u>

Of the total expenditure of £3,033,398 for the year ended 31 August 2021, £5,355 related to unrestricted funds, £2,928,240 related to restricted funds and £99,803 related to restricted fixed asset funds.

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Educational operations:				
Direct costs	1,877,106	-	137,523	2,014,629
Allocated support costs	560,416	202,285	177,408	940,109
	<u>2,437,522</u>	<u>202,285</u>	<u>314,931</u>	<u>2,954,738</u>

Of the total expenditure of £2,954,738 for the year ended 31 August 2020, £31,578 related to unrestricted funds, £2,808,614 related to restricted funds and £114,546 related to restricted fixed asset funds.

GLYNE GAP SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Analysis of expenditure by activities

	Direct costs 2021 £	Support costs 2021 £	Total funds 2021 £
Educational operations	2,025,225	1,008,173	3,033,398

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £
Educational operations	2,014,629	940,109	2,954,738

Analysis of support costs

	Total funds 2021 £	Total funds 2020 £
FRS102 LGPS net pension interest cost	30,000	27,000
Staff costs	626,812	560,416
Depreciation	99,803	114,546
Technology costs	5,878	21,949
Premises costs	184,096	192,721
Other support costs	47,916	18,422
Governance costs	10,668	5,055
FRS102 pension administration cost	3,000	-
	<u>1,008,173</u>	<u>940,109</u>

Included in other support costs are legal costs of £Nil (2020: £725) relating to other legal matters.

GLYNE GAP SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

9. Net expenditure

Net expenditure for the year includes:

	2021	2020
	£	£
Operating lease rentals	2,498	2,719
Depreciation of tangible fixed assets	99,803	114,546
Fees paid to auditors for:		
- audit	7,750	7,350
- other services	5,050	5,950
	<u> </u>	<u> </u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2021	2020
	£	£
Wages and salaries	1,656,980	1,573,687
Social security costs	129,341	125,864
Pension costs	687,528	610,192
	<u>2,473,849</u>	<u>2,309,743</u>
Agency staff costs	96,469	127,779
	<u>2,570,318</u>	<u>2,437,522</u>

b. Staff numbers

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

	2021	2020
	No.	No.
Teachers	15	15
Administration and support	79	66
Management	4	4
	<u>98</u>	<u>85</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Staff (continued)

c. Higher paid staff

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

	2021 No.	2020 No.
In the band £60,001 - £70,000	1	-
In the band £90,001 - £100,000	1	1

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £389,291 (2020 - £375,027).

11. Trustees' and Officers' insurance

The Academy Trust has opted into the Department of 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 membership.

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2021 £	2020 £
K Prawanna, Headteacher	Remuneration	90,000 -	90,000 -
		95,000	95,000
	Pension contributions paid	20,000 -	20,000 -
		25,000	25,000
F Hall	Remuneration	-	50,000 -
			55,000
	Pension contributions paid	-	10,000 -
			15,000

During the year ended 31 August 2021, expenses totalling £Nil (2020 - £226) were reimbursed to Trustees (2020 - 2 Trustees were reimbursed).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

13. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Furniture and equipment £	Total £
Cost or valuation					
At 1 September 2020	2,478,265	130,242	64,363	275,978	2,948,848
Additions	-	54,077	-	15,588	69,665
At 31 August 2021	2,478,265	184,319	64,363	291,566	3,018,513
Depreciation					
At 1 September 2020	346,323	126,291	52,513	171,775	696,902
Charge for the year	49,565	10,564	8,365	31,309	99,803
At 31 August 2021	395,888	136,855	60,878	203,084	796,705
Net book value					
At 31 August 2021	2,082,377	47,464	3,485	88,482	2,221,808
At 31 August 2020	2,131,942	3,951	11,850	104,203	2,251,946

14. Debtors

	2021 £	2020 £
Due within one year		
Trade debtors	-	3,005
Other debtors	3,203	1,288
Prepayments and accrued income	7,786	13,463
VAT recoverable	7,194	2,820
	18,183	20,576

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NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	35,633	52,614
Other taxation and social security	33,164	34,987
Other creditors	67,725	51,332
Accruals and deferred income	77,973	47,394
	<u>214,495</u>	<u>186,327</u>
	2021 £	2020 £
Deferred income at 1 September 2020	30,872	33,495
Resources deferred during the year	70,223	30,872
Amounts released from previous periods	(30,872)	(33,495)
	<u>70,223</u>	<u>30,872</u>

Deferred income relates to structural maintenance grants, free school meal grants and advance paid Teacher pay and pension grants which will be utilised in the year ending 31 August 2022.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Statement of funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	161,622	5,179	(5,355)	-	-	161,446
Restricted general funds						
General Annual Grant (GAG)	713,165	1,050,000	(1,035,812)	(36,563)	-	690,790
Pupil Premium	-	46,947	(46,947)	-	-	-
Other DfE Group grants	-	30,699	(30,699)	-	-	-
Local Authority grants	-	1,404,292	(1,404,292)	-	-	-
COVID Catch-up Premium	-	25,920	(15,920)	-	-	10,000
COVID Mass Testing grants	-	28,570	(28,570)	-	-	-
Pension reserve	(1,886,000)	-	(366,000)	-	(451,000)	(2,703,000)
	<u>(1,172,835)</u>	<u>2,586,428</u>	<u>(2,928,240)</u>	<u>(36,563)</u>	<u>(451,000)</u>	<u>(2,002,210)</u>
Restricted fixed asset funds						
Tangible fixed assets	2,251,946	-	(99,803)	69,665	-	2,221,808
Capital grants and funding	23,503	9,599	-	(33,102)	-	-
	<u>2,275,449</u>	<u>9,599</u>	<u>(99,803)</u>	<u>36,563</u>	<u>-</u>	<u>2,221,808</u>
Total Restricted funds	<u>1,102,614</u>	<u>2,596,027</u>	<u>(3,028,043)</u>	<u>-</u>	<u>(451,000)</u>	<u>219,598</u>
Total funds	<u>1,264,236</u>	<u>2,601,206</u>	<u>(3,033,398)</u>	<u>-</u>	<u>(451,000)</u>	<u>381,044</u>

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

Restricted funds:

The General Annual Grant Fund (GAG) is used for the educational purposes in line with the Academy's objects and its funding agreement with the ESFA.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Statement of funds (continued)

Other ESFA/DfE grants, including COVID catch-up premium, Local Authority grants and other COVID related funding are all used in accordance with the restrictions of the individual grants or funding which are all for the provision of education to the pupils of the Academy Trust, with the high needs funding being used to provide specialist support for the children.

The pension reserve represents the Local Government Pension Scheme deficit.

Fixed asset restricted funds:

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the Schools within the Academy Trust and the value of fixed assets transferred from academies joining the Trust in the current or previous years, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2021.

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

	Balance at 19 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General funds	188,517	26,797	(31,577)	(22,115)	-	161,622
Restricted general funds						
General Annual Grant (GAG)	746,537	1,106,560	(1,139,932)	-	-	713,165
Pupil Premium	-	44,288	(44,288)	-	-	-
Other DfE Group grants	-	36,336	(36,336)	-	-	-
Local Authority grants	-	1,287,262	(1,287,262)	-	-	-
COVID Exceptional Costs	-	5,796	(5,796)	-	-	-
Pension reserve	(1,286,000)	-	(295,000)	-	(305,000)	(1,886,000)
	<u>(539,463)</u>	<u>2,480,242</u>	<u>(2,808,614)</u>	<u>-</u>	<u>(305,000)</u>	<u>(1,172,835)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

	Balance at 19 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted fixed asset funds						
Tangible fixed assets	2,338,998	-	(114,546)	27,494	-	2,251,946
Capital grants and funding	21,264	7,618	-	(5,379)	-	23,503
	<u>2,360,262</u>	<u>7,618</u>	<u>(114,546)</u>	<u>22,115</u>	<u>-</u>	<u>2,275,449</u>
Total Restricted funds	<u>1,820,799</u>	<u>2,487,860</u>	<u>(2,923,160)</u>	<u>22,115</u>	<u>(305,000)</u>	<u>1,102,614</u>
Total funds	<u>2,009,316</u>	<u>2,514,657</u>	<u>(2,954,737)</u>	<u>-</u>	<u>(305,000)</u>	<u>1,264,236</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	2,221,808	2,221,808
Current assets	161,446	915,286	-	1,076,732
Creditors due within one year	-	(214,496)	-	(214,496)
Provisions for liabilities and charges	-	(2,703,000)	-	(2,703,000)
Total	<u>161,446</u>	<u>(2,002,210)</u>	<u>2,221,808</u>	<u>381,044</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	2,251,946	2,251,946
Current assets	161,622	899,491	23,503	1,084,616
Creditors due within one year	-	(186,326)	-	(186,326)
Provisions for liabilities and charges	-	(1,886,000)	-	(1,886,000)
Total	161,622	(1,172,835)	2,275,449	1,264,236

18. Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(432,192)	(440,080)
Adjustments for:		
Depreciation	99,803	114,546
Capital grants	(9,599)	(7,618)
Dividends, interest and rents from investments	(101)	(2,344)
Defined benefit pension scheme cost less contributions payable	336,000	268,000
Defined benefit pension scheme finance cost	30,000	27,000
Decrease in debtors	2,393	109,568
Increase in creditors	28,168	21,431
Net cash provided by operating activities	54,472	90,503

19. Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	101	2,344
Purchase of tangible fixed assets	(69,665)	(27,494)
Capital grants from DfE Group	9,599	7,618
Net cash used in investing activities	(59,965)	(17,532)

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand and at bank	1,058,548	1,064,041
Total cash and cash equivalents	<u>1,058,548</u>	<u>1,064,041</u>

21. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	1,064,041	(5,493)	1,058,548
	<u>1,064,041</u>	<u>(5,493)</u>	<u>1,058,548</u>

22. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £40,121 were payable to the schemes at 31 August 2021 (2020 - £41,377) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

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22. Pension commitments (continued)

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £101,207 (2020 - £123,049).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £325,000 (2020 - £282,000), of which employer's contributions totalled £255,000 (2020 - £223,000) and employees' contributions totalled £ 70,000 (2020 - £59,000). The agreed contribution rates for future years are 22.9% per cent for employers and 5.5% to 12.5% per cent for employees.

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

Principal actuarial assumptions

	2021	2020
Rate of increase in salaries	2.85	2.20
Discount rate for scheme liabilities	1.65	1.70
Inflation assumption (CPI)	2.85	2.20

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

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22. Pension commitments (continued)

	2021	2020
Retiring today		
Males	21.2	21.6
Females	23.7	23.9
Retiring in 20 years		
Males	22.0	22.5
Females	25.1	25.3

Sensitivity analysis

Increase in the reported value of defined benefit obligations:

	2021	2020
	£000	£000
Discount rate -0.5%	719	774
Salary increase rate +0.5%	699	76
CPI rate +0.5%	699	685

Share of scheme assets

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

	2021	2020
	£	£
Equities	3,371,000	2,751,000
Corporate bonds	734,000	632,000
Property	326,000	298,000
Cash and other liquid assets	81,000	37,000
Total market value of assets	4,512,000	3,718,000

The actual return on scheme assets was £549,000 (2020 - £22,000).

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

	2021	2020
	£	£
Current service cost	(588,000)	(491,000)
Interest income	65,000	68,000
Interest cost	(95,000)	(95,000)
Administrative expenses	(3,000)	-
Total amount recognised in the Statement of Financial Activities	(621,000)	(518,000)

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22. Pension commitments (continued)

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

	2021 £	2020 £
Opening defined benefit obligation	5,604,000	4,743,000
Current service cost	588,000	491,000
Interest cost	95,000	95,000
Employee contributions	70,000	59,000
Actuarial losses	935,000	259,000
Benefits paid	(77,000)	(43,000)
At 31 August	<u>7,215,000</u>	<u>5,604,000</u>

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2021 £	2020 £
Opening fair value of scheme assets	3,718,000	3,457,000
Interest income	65,000	68,000
Actuarial gains/(losses)	484,000	(46,000)
Employer contributions	255,000	223,000
Employee contributions	70,000	59,000
Benefits paid	(77,000)	(43,000)
Administration expenses	(3,000)	-
At 31 August	<u>4,512,000</u>	<u>3,718,000</u>

23. Operating lease commitments

At 31 August 2021 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Within 1 year	2,754	2,719
Between 1 and 5 years	4,595	1,901
Total	<u>7,349</u>	<u>4,620</u>

24. 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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25. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2021, the Trust received £2,172 (2020: £9,353) and disbursed £2,172 (2020: £9,353) from the fund. An amount of £Nil (2020: £Nil) is included in other creditors relating to undistributed funds that are repayable to ESFA.

26. Related party transactions

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.