

St. Giles' & St. George's Church of England Academy

Trustees' report and financial statements

For the Year Ended 31 August 2019



DAINS
ACCOUNTANTS

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

Church of England Central Education Trust
Mr M Alcock
Rev P Nisbeck
Rev R Daborn

Trustees

Mr M Alcock, Chair of Trustees
Miss S Boreham, Vice Chair of Trustees
Mrs L Evans, Headteacher and Accounting Officer (resigned 1 May 2019)
Mrs C Pointon, Headteacher and Accounting Officer (appointed 13 April 2019)
Miss C Ashton, Staff Trustee (resigned 31 August 2019)
Rev M Ball
Mrs J Clegg (resigned 26 November 2018)
Mr E Lopez (appointed 15 October 2018)
Ms A Nisbeck (appointed 15 October 2018)
Rev P Nisbeck (resigned 11 March 2019)
Rev J Penduck (appointed 8 July 2019)
Mrs A Roche (appointed 11 February 2019)
Mrs E Sale, Staff Trustee
Mr L Wiggs (resigned 7 October 2019)
Mrs V Boon (appointed 1 September 2019)
Rev R Daborn (resigned 30 September 2018)

ST GILES' & ST GEORGE'S CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Company registered number	08863406
Company name	St Giles' & St George's Church of England Academy
Principal and registered office	St Giles' & St George's Church of England Academy St Paul's Road Newcastle-under-Lyme Staffordshire ST5 2NB
Senior management team	Mrs C Pointon, Headteacher (from 13 April 2019) Mrs V Boon, Deputy Headteacher (from 1 September 2019) Mrs M Elden, Bursar Mrs R Lawton, Inclusion lead and SENCO Mrs G Barclay, English and KS1 Leader Miss A Thurley, Foundation Stage and Early Reading Leader Mrs S Wright, DA, EAL and G and T Lead Mrs L Evans, Headteacher (until 1 May 2019) Miss C Ashton, Deputy Headteacher (until 31 August 2019)
Independent auditors	Dains LLP Suite 2 Albion House 2 Etruria Office Village Forge Lane Stoke on Trent ST1 5RQ
Bankers	Lloyds Bank 46-48 High Street Newcastle-under-Lyme Staffordshire ST5 1QY

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged between 3 and 11 serving a catchment area in Newcastle under Lyme. It has recently been extended to be able to accommodate a pupil PAN of 420 plus 60 place Nursery over time. Current numbers on roll 284 plus 26 Nursery (as per the school census October 2018).

Structure, governance and management

Constitution

St. Giles' & St. George's Church of England Academy was incorporated on 27 January 2014 as a company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the academy Trust.

The Trustees of St Giles' & St George's Church of England Academy are also the directors of the charitable company for the purposes of company law. A funding agreement with the secretary of state was signed on 30 September 2014 and St. Giles' & St. George's C of E Primary School converted to academy status on 1 October 2014.

The charitable company is known as St Giles' & St George's Church of England Academy.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice, the Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business and provides cover up to £10,000,000.

Method of recruitment and appointment or election of Trustees

The members shall appoint a minimum of 9 Governors plus 2 parent governors and the Headteacher:

Staff and parent governors are recruited by nomination and election from all school staff and the parent body.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Policies adopted for the induction and training of Trustees

The training and induction provided for New Trustees will depend on their existing experience. Diocesan trustees are appointed by the Diocese of Lichfield. Skills gaps on the governing body are considered in the appointment of new Trustees. All new Trustees will be given a tour of the Academy. All Trustees are provided, at an appropriate time, with copies of policies, procedures, minutes, accounts, budgets and other documents that they will need to undertake their role as Trustees.

Organisational structure

The governance of the trust is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

All governors are members of the full governing board. In addition, governors are members of scrutiny groups which report to the full governing board.

- The board of governors meets twice a term to receive reports from these scrutiny groups and receive reports from the Principal Finance Officer and Responsible Officer Audits with regard to the academy's budget and financial performance. They also meet for staffing matters, remuneration, buildings and health and safety matters.

The day to day management is delegated to the Headteacher, who has a senior leadership team which meets regularly to lead development plans.

Arrangements for setting pay and remuneration of key management personnel

The senior management team as detailed on the Reference and administrative details on page 1 are designated as the key management personnel members. Criteria for pay are based on performance indicators of pupil progress, leadership responsibilities linked to national standards outlined in the teachers pay and conditions document, NJC job profiles, job descriptions and the school development plan priorities. The academy uses the performance pay policy agreed by governors to guide pay decisions.

Related parties and other connected charities and organisations

The academy has no related parties or connections with any other charities and organisations.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

Risk management

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

Objectives and activities

Objects and aims

The academy's main aim is captured in its mission statement, "As God's children we aspire believe and achieve to be the very best we can be". The academy objectives for improvement are based around the following areas:

- Leadership and management
- Behaviour and Safety
- Achievement
- Quality of Teaching

As a Church of England Academy the ethos statement as follows also forms the basis for its mission.

St Giles' and St George's Church of England Academy provides an attractive, safe, well ordered, child centred place of learning within a Christian context. Maintaining and sustaining the highest standards of teaching and learning is a key concern of directors and staff. The school works positively with parents and carers to fulfil the academy's expectation that all learners achieve at the highest level of which they are capable.

As a Church of England Academy, Christian values are central to our ethos. There is a daily act of Christian based worship, which encourages spiritual development and a mutual understanding of life together.

We place a strong emphasis on positive partnerships between school, home and our two churches, St Giles' and St George's. Our priority is to strengthen our community so that we provide a service to all.

Objectives, strategies and activities

Following an Ofsted in November 2017, the academy was judged to provide a good education as follows:

Summary of key findings for parents and pupils

This is a good school

Leaders and managers have a clear understanding of the school's strengths and weaknesses. They have used this effectively to improve the quality of teaching, the curriculum and pupils' outcomes.

The headteacher and the deputy headteacher are well supported by other leaders. However, the leadership of key stage 1 is underdeveloped.

The most effective teaching is planned well to meet pupils' learning needs. It is engaging and leads to rapid progress. Although the overall quality of teaching is improving, it does not consistently deepen pupils' understanding in order to ensure that more pupils reach the highest standards.

Current pupils are making good progress across a range of subjects. All groups of pupils made strong progress during the last school year.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

(continued)

Outcomes improved in the end of key stage 2 assessments in 2017. The proportion of Year 6 pupils reaching the expected standard in mathematics and writing was greater than the national average. In reading, outcomes were broadly average. Leaders are taking further action to improve outcomes in reading, spelling and boys' writing. These actions are recent and not yet fully embedded in practice.

Leaders now analyse information from checking teaching and pupils' progress to decide on actions to improve teaching and outcomes.

Pupils' spiritual, moral, social and cultural development is at the heart of the school's work. Pupils' behaviour is exemplary. They manage their own behaviour very well.

There is a strong culture of safeguarding pupils across the school. Keeping children safe is a shared responsibility and all staff know what they should do if they have a concern about a pupil's welfare.

Children make a good start to their schooling in the early year's provision. It is well led and managed. Teaching is good and so children make strong progress.

School staff have good working relations with parents. All parents who made their views known during the inspection would recommend the school.

Next steps for the academy are to:

Further improve the quality of teaching so that more matches the best found in the school.

Continue to improve overall outcomes, particularly in reading, spelling and boys' writing, by fully embedding strategies that are now in place.

Further increase the impact of leadership and management by:

- refining leaders' analysis of information to continue to inform prompt action to improve teaching and outcomes
- developing leadership capacity at key stage 1.

Public benefit

The Trust Directors have complied with their duty to have due regard to the guidance and public benefit published by the Charity Commission.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Achievements and performance

Outcomes in 2019 are as follows:

End of Foundation Stage Results 2019

The majority of pupils arrive working below expectations at the start of their educational journey. This year we have reached a GLD of 74% compared to the national average in 2018 of 71% showing that we are above the national average. Because of the significant increase of pupils gaining a good level of development, they have made at least good progress from their starting points.

Year 1 and Year 2 Phonics 2019

80% pupils in Year 1 achieved the threshold for phonics, which is in broadly in line with the national average.
90% Year 2 pupils have now gained the threshold for phonics.

End of Key Stage 1 2019

61% pupils achieved the expected standard in reading, 15% below the national average. 22% pupils achieved greater depth in reading, 4% below national average.

57% pupils achieved the expected standard in writing, 13% below national average. 10% pupils achieved greater depth in writing, 6% below national average.

63% pupils achieved the expected standard in maths, 13% below the national average. 14% pupils achieved greater depth, 6% below national average.

End of Key Stage 2 2019

Progress scores place the academy within the average group for Reading, writing and maths. Reading, writing and maths score overall was 59%, 6% below the national average.

64% pupils achieved the expected standards in reading, 9% below national average. 30% pupils achieved greater depth, 2% above national average.

85% pupils achieved the expected standard in writing, 7% above national average and 21% achieved greater depth, 1% above national average.

79% pupils achieved the expected standard in mathematics, in line with the national average and 30% achieved greater depth, 6% above national average.

Effectiveness of the Academy

This is judged to be good overall with a robust action plan to improve outcomes in KS1

Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Achievements and performance (continued)

Financial review

The Academy's key source of funding is the General Annual Grant (GAG) from the Education and Skills Funding Agency (ESFA). Funding from the ESFA is shown as restricted funds in the Statement of Financial Activities. During the year to 31 August 2019, the Academy received GAG of £1,265,896 in addition to other income sources. The analysis of the specific grants and income received can be seen within notes 3 to 6 of the financial statements.

During the year to 31 August 2019, total resources expended are £1,703,229 excluding depreciation. Depreciation of £102,632 has been charged during the year against the restricted fixed asset fund.

The surplus in income over expenditure for the period (excluding the movement in the pension reserve and restricted fixed asset fund) was £92,795.

At 31 August 2019, the net book value of tangible fixed assets totalled £2,360,994 and movements in tangible fixed asset are shown in note 13 to the financial statements. The assets were used exclusively for providing education and associated support services to the students of the Academy.

Reserves policy

The governors will review the reserve levels annually. The review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors will determine an appropriate level of free reserves to provide sufficient working capital to cover delays between spending and receipt of grants and provide a cushion to deal with any unexpected emergencies.

The academy has current reserves of £526,178 (excluding the pension reserve and restricted fixed asset fund).

The academy also has restricted fixed asset reserves of £2,362,904 and a pension deficit of £1,132,000.

Investment policy

At the present time the Academy does not have monies to invest. Reserves held have been placed in a 32 day savings account.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

(continued)

Principal risks and uncertainties

The principal risks and uncertainties facing the academy are as follows:

Financial – the academy has considerable reliance on continued Government funding through the ESFA. Whilst this 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.

Failures in governance and/or management – the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulation and legislation, statutory returns etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational – the continuing success of the Academy is dependent on continuing to attract pupils by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

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 and safety and discipline.

Fraud and mismanagement of funds – To mitigate against this risk the Academy has appointed Daines to carry out checks on financial systems and records.

Fundraising

As a small school limited fundraising is undertaken and currently consists of fundraising events such as Summer Fairs.

Plans for future periods

The Academy will continue to improve the performance and outcomes for its pupils at all levels through strong teaching and effective leadership.

Funds held as custodian on behalf of others

No funds are held on behalf of others.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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.

The Trustees' Report was approved by order of the board of Trustees, as the company directors, on 25 November 2019 and signed on its behalf by:



Mr M Alcock
Chair of Trustees

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the 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 St Giles' & St George's Church of England Academy 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 6 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
Mr M Alcock, Chair of Trustees	6	6
Miss S Boreham, Vice Chair of Trustees	4	6
Mrs L Evans, Headteacher and Accounting Officer	3	4
Mrs C Pointon, Headteacher and Accounting Officer	2	2
Miss C Ashton, Staff Trustee	3	6
Rev M Ball	6	6
Mrs J Clegg	1	1
Mr E Lopez	6	6
Ms A Nisbeck	5	6
Rev P Nisbeck	2	2
Rev J Penduck	1	1
Mrs A Roche	4	4
Mrs E Sale, Staff Trustee	5	6
Mrs L Wiggs	3	6
Rev R Daborn	0	0

Non-governors in attendance:

Trustee	Meetings attended	Out of a possible
Mrs V Boon (Deputy Headteacher)	4	6
Mrs M Elden (Bursar)	5	6
A Conway	1	1

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As accounting officer, the Headteacher has responsibility for ensuring that the academy 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's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy has delivered improved value for money during the year by:

- Restructuring the Senior Leadership team and investing in their continuing professional development so that they have sufficient skills to lead development and improvements across the school. Rigorous and robust action plan leading to improved outcomes and provision for all.
- Review staffing structure to ensure long term financial stability.
- Better purchasing through close monitoring of all services and contracts ensure that the Academy obtains the best mix of quality and effectiveness. Positive, longstanding relationships with suppliers and contractors ensure that we continue to obtain best value for services supplied.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 St Giles' & St George's Church of England Academy for the year 1 September 2018 to 31 August 2019 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

The academy trust's system of internal financial control is based on a Scheme of Delegation and regular management information and administrative procedures including:

- Use of accounting software
- Controlled monitoring by the Headteacher and Governors
- Comprehensive budget setting and monitoring

The board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Dains LLP, the external auditors, to perform additional checks.

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

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

On a termly basis, the reviewer reports to the board of Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The Trustees confirm that the review process has been completed within the agreed schedule of work.

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 external accountant;
- the work of the executive managers within the academy 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 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 and signed on their behalf by:



Mr M Alcock
Chair of Trustees



Mrs C Pointon
Accounting Officer

25 November 2019

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of St Giles' & St George's Church of England Academy I have considered my responsibility to notify the academy 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, under the funding agreement in place between the academy 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 2018.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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.



Mrs C Pointon
Accounting Officer

Date: 25 November 2019

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 and signed on its behalf by:



Mr M Alcock
Chair of Trustees

Date: 25 November 2019

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST GILES' & ST GEORGE'S CHURCH OF ENGLAND ACADEMY

Opinion

We have audited the financial statements of St Giles' & St George's Church of England Academy (the 'academy') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 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's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST GILES' & ST GEORGE'S CHURCH OF ENGLAND ACADEMY (CONTINUED)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report 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 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.

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
GILES' & ST GEORGE'S CHURCH OF ENGLAND ACADEMY (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the academy 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'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 or to cease operations, or have no realistic alternative but to do so.

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.

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.

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.



Jonathan Dudley (Senior statutory auditor)
for and on behalf of
Dains LLP
Statutory Auditor
Chartered Accountants

Suite 2 Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
ST1 5RQ

25 November 2019

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST GILES' & ST GEORGE'S CHURCH OF ENGLAND ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Giles' & St George's Church of England Academy during the year 1 September 2018 to 31 August 2019 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 St Giles' & St George's Church of England Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Giles' & St George's Church of England Academy 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 St Giles' & St George's Church of England Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Giles' & St George's Church of England Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Giles' & St George's Church of England Academy's funding agreement with the Secretary of State for Education dated 30 September 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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's income and expenditure.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST GILES' &
ST GEORGE'S CHURCH OF ENGLAND ACADEMY 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

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ST1 5RQ

Date: 25 November 2019

ST GILES' & ST GEORGE'S CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	-	-	20,480	20,480	7,557
Charitable activities:	4					
Funding for the academy's educational operations		2,989	1,648,179	-	1,651,168	1,651,188
Other trading activities	5	68,191	-	-	68,191	68,008
Investments	6	1,665	-	-	1,665	782
Total income		72,845	1,648,179	20,480	1,741,504	1,727,535
Expenditure on:						
Raising funds		69,433	-	-	69,433	63,162
Charitable activities	8	14,581	1,619,215	102,632	1,736,428	1,680,935
Total expenditure	9	84,014	1,619,215	102,632	1,805,861	1,744,097
Net (expenditure)/income before transfers		(11,169)	28,964	(82,152)	(64,357)	(16,562)
Transfers between funds	16	-	-	-	-	-
Net movement in funds before other recognised gains/(losses)		(11,169)	28,964	(82,152)	(64,357)	(16,562)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(404,000)	-	(404,000)	220,000
Net movement in funds		(11,169)	(375,036)	(82,152)	(468,357)	203,438

ST GILES' & ST GEORGE'S CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Reconciliation of funds:					
Total funds brought forward	266,997	(486,614)	2,445,056	2,225,439	2,022,001
Net movement in funds	(11,169)	(375,036)	(82,152)	(468,357)	203,438
Total funds carried forward	255,828	(861,650)	2,362,904	1,757,082	2,225,439

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 26 to 50 form part of these financial statements.

ST GILES' & ST GEORGE'S CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

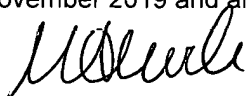
Registered number: 08863406
BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	As at 31 August 2019 £	As at 31 August 2018 £
Fixed assets			
Tangible assets	13	2,360,994	2,445,055
		<u>2,360,994</u>	<u>2,445,055</u>
Current assets			
Debtors	14	61,731	68,165
Cash at bank and in hand		607,393	482,122
		<u>669,124</u>	<u>550,287</u>
Creditors: amounts falling due within one year	15	(141,036)	(116,903)
Net current assets		<u>528,088</u>	<u>433,384</u>
Total assets less current liabilities		<u>2,889,082</u>	<u>2,878,439</u>
Defined benefit pension scheme liability	21	(1,132,000)	(653,000)
Total net assets		<u><u>1,757,082</u></u>	<u><u>2,225,439</u></u>
Funds of the academy			
Restricted funds:			
Restricted fixed asset funds	16	2,362,904	2,445,056
Restricted income funds	16	270,350	166,386
		<u>2,633,254</u>	<u>2,611,442</u>
Restricted funds excluding pension liability	16	2,633,254	2,611,442
Pension reserve	16	(1,132,000)	(653,000)
Total restricted funds	16	<u>1,501,254</u>	<u>1,958,442</u>
Unrestricted income funds	16	<u>255,828</u>	<u>266,997</u>
Total funds		<u><u>1,757,082</u></u>	<u><u>2,225,439</u></u>

BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 21 to 50 were approved by the Trustees, and authorised for issue on 25 November 2019 and are signed on their behalf, by:



Mr M Alcock
Chair of Trustees

The notes on pages 26 to 50 form part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	18	121,697	175,634
Cash flows from investing activities	19	3,574	(2,184)
Change in cash and cash equivalents in the year		125,271	173,450
Cash and cash equivalents at the beginning of the year		482,122	308,672
Cash and cash equivalents at the end of the year	20	607,393	482,122

The notes on pages 26 to 50 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Giles' & St George's Church of England Academy meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.3 Income

All incoming resources are recognised when the academy 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 has provided the goods or services.

1.4 Expenditure

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

• **Expenditure on raising funds**

This includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.5 Interest receivable

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

1.6 Taxation

The academy 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 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.

1.7 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 straight-line basis over its expected useful life, as follows:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Donated leasehold buildings	- 2% straight line
L/Term Leasehold land	- 0.8% straight line
Leasehold property improvements	- 2% straight line
Fixtures and fittings	- 20% straight line
Computer equipment	- 25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

The academy trust company occupies:

- (a) land provided to it by the local authority under a 125-year lease; and
- (b) land provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

In respect of:

- (a) a figure is entered which reflects advice taken on the value of the lease; and
- (b), having considered the fact that the academy trust company occupies the land and such buildings as may or may come to be erected by a mere licence that transfers to the academy no rights or control over the site, save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the directors have concluded that the value of the land and buildings occupied by the academy trust company under such arrangements will not be recognised on the balance sheet of the company.

1.8 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.

1.9 Cash at bank and in hand

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

1.10 Liabilities

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.11 Provisions

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

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

1.12 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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.

1.13 Operating leases

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting policies (continued)

1.14 Pensions

Retirement benefits to employees of the academy 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 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 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.

1.15 Fund accounting

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Long-term leasehold land and buildings

The long term leasehold land within the accounts relates to the academy premises which were donated to the academy on conversion on a 125 year lease from Staffordshire County Council. The leasehold land was valued using an ESFA valuation. These are being depreciated in accordance with the depreciation policies set out in note 1. No annual charge is made for the use of the land under the terms of the lease, based on management not being able to reliably measure the open market rate.

The land and buildings provided to the academy by the Lichfield Diocesan Board of Education are not reflected in the accounts. Having considered the fact that the academy occupies the land and such buildings as may or may come to be erected on it by mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the directors have concluded that the value of the land and buildings occupied by the academy trust company under such arrangement will not be recognised on the balance sheet of the company.

Donated leasehold buildings

During year ending 2017 there had been a new school building constructed and donated by Staffordshire County Council. The new building had been constructed on the land covered by both existing lease agreements with Staffordshire County Council and the Lichfield Diocese Board of Education.

Based on the treatment adopted and noted under the "Long-term leasehold land and buildings" above, the Trustees have considered it appropriate only to recognise the donated asset constructed on the land covered by the leasehold agreement with Staffordshire County Council.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. Income from donations and capital grants

	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Capital Grants	20,480	20,480	7,557
<i>Total 2018</i>	7,557	7,557	

4. Funding for the Academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,265,896	1,265,896	1,295,593
Other DfE/ESFA grants	-	205,853	205,853	203,209
	-	1,471,749	1,471,749	1,498,802
Other government grants				
Local Authority grants	-	134,160	134,160	107,131
	-	134,160	134,160	107,131
Other funding				
Other income	2,989	14,149	17,138	20,211
Catering income	-	28,121	28,121	25,044
	2,989	42,270	45,259	45,255
	2,989	1,648,179	1,651,168	1,651,188
<i>Total 2018</i>	2,913	1,648,275	1,651,188	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Care club income	63,768	63,768	65,314
Other income	4,423	4,423	2,694
	<u>68,191</u>	<u>68,191</u>	<u>68,008</u>

The total for 2018 of £68,008 is represented entirely by unrestricted funds.

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Investment income	1,665	1,665	782
	<u>1,665</u>	<u>1,665</u>	<u>782</u>

The total for 2018 of £782 is represented entirely by restricted funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading:					
Direct costs	-	-	608	608	684
Support costs	66,203	-	2,622	68,825	62,478
Educational Operations:					
Direct costs	1,042,003	-	155,419	1,197,422	1,095,223
Support costs	220,640	140,308	178,058	539,006	585,712
	<u>1,328,846</u>	<u>140,308</u>	<u>336,707</u>	<u>1,805,861</u>	<u>1,744,097</u>
<i>Total 2018</i>	<u>1,244,598</u>	<u>117,020</u>	<u>382,479</u>	<u>1,744,097</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Educational Operations	<u>1,197,422</u>	<u>539,006</u>	<u>1,736,428</u>	<u>1,680,935</u>
<i>Total 2018</i>	<u>1,095,223</u>	<u>585,712</u>	<u>1,680,935</u>	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	1,042,003	942,163
Depreciation	55,614	54,846
Educational supplies	71,223	63,588
Technology costs	7,116	10,773
Travel and subsistence	21,466	23,853
	<u>1,197,422</u>	<u>1,095,223</u>

Analysis of support costs

	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	220,640	242,734
Depreciation	47,018	46,665
Pension income	19,000	20,000
Staff development	9,703	15,312
Technology costs	9,845	6,665
Other direct costs	80,272	80,132
Recruitment and support	258	1,744
Maintenance of premises	29,623	39,676
Cleaning	32,497	37,158
Rates	10,250	8,446
Water rates	5,438	4,049
Energy	17,150	29,974
Insurance	6,260	6,888
Technology	15,849	15,636
Other occupancy costs	35,203	30,633
	<u>539,006</u>	<u>585,712</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Net (expenditure)/income

Net (expenditure)/income for the year includes:

	2019 £	2018 £
Operating lease rentals	1,594	3,162
Depreciation of tangible fixed assets	102,633	101,510
Fees paid to auditors for:		
- audit	7,100	6,675
- other services	2,100	1,800
	<u>7,100</u>	<u>6,675</u>
	<u>109,733</u>	<u>108,385</u>

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	989,162	909,753
Social security costs	87,926	76,459
Pension costs	251,098	238,105
	<u>1,328,186</u>	<u>1,224,317</u>
Agency staff costs	660	20,281
	<u>1,328,846</u>	<u>1,244,598</u>

b. Staff numbers

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

	2019 No.	2018 No.
Management	8	6
Teachers	10	13
Administration and support	29	30
	<u>47</u>	<u>49</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs (continued)

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £70,001 - £80,000	-	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 2. 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 £489,858 (2018: £373,547).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. 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:

		2019 £	2018 £
Mrs L Evans Headteacher and Accounting Officer (until 1 May 2019)	Remuneration	50,000 - 55,000	70,000 - 75,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
Mrs C Pointon, Headteacher and Accounting Officer (from 13 April 2019)	Remuneration	20,000 - 25,000	N/A
	Pension contributions paid	0 - 5,000	N/A
Miss C Ashton Staff Trustee (until 31 August 2019)	Remuneration	45,000 - 50,000	45,000 - 50,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Mrs E Sale Staff Trustee	Remuneration	20,000 - 25,000	20,000 - 25,000
	Pension contributions paid	0 - 5,000	0 - 5,000

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. Trustees' and Officers' insurance

The academy 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.

13. Tangible fixed assets

	Donated Leasehold Buildings £	L/Term Leasehold Land £	Leasehold property improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2018	2,044,170	44,107	289,091	143,223	108,635	2,629,226
Additions	-	-	1,562	9,876	7,133	18,571
At 31 August 2019	2,044,170	44,107	290,653	153,099	115,768	2,647,797
Depreciation						
At 1 September 2018	68,139	676	9,282	50,589	55,485	184,171
Charge for the year	40,883	353	5,782	29,656	25,958	102,632
At 31 August 2019	109,022	1,029	15,064	80,245	81,443	286,803
Net book value						
At 31 August 2019	1,935,148	43,078	275,589	72,854	34,325	2,360,994
At 31 August 2018	1,976,031	43,431	279,809	92,634	53,150	2,445,055

14. Debtors

	2019 £	2018 £
Due within one year		
VAT repayable	12,844	12,244
Prepayments and accrued income	48,887	55,921
	<u>61,731</u>	<u>68,165</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	33,562	27,176
Other taxation and social security	20,973	18,807
Other creditors	22,253	20,267
Accruals and deferred income	64,248	50,653
	141,036	116,903
	2019	2018
	£	£
Deferred income at 1 September 2018	28,237	31,666
Resources deferred during the year	27,473	28,237
Amounts released from previous periods	(28,237)	(31,666)
	27,473	28,237

At the balance sheet date that academy was holding funds relating to trips and school meals funding relating to the 2019/20 academic year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	266,997	72,845	(84,014)	-	-	255,828
Restricted general funds						
General Annual Grant (GAG)	166,386	1,265,896	(1,161,932)	-	-	270,350
Other DfE/ESFA Grants	-	75,316	(75,316)	-	-	-
Pupil Premium	-	130,537	(130,537)	-	-	-
Other Government Grants	-	134,160	(134,160)	-	-	-
Other income	-	42,270	(42,270)	-	-	-
Pension reserve	(653,000)	-	(75,000)	-	(404,000)	(1,132,000)
	<u>(486,614)</u>	<u>1,648,179</u>	<u>(1,619,215)</u>	<u>-</u>	<u>(404,000)</u>	<u>(861,650)</u>
Restricted fixed asset funds						
Transfer from legacy school	43,078	-	(353)	353	-	43,078
DfE/ESFA Capital Grants	-	20,480	(8,204)	18,794	-	31,070
Capital expenditure from GAG	373,878	-	(40,979)	(2,463)	-	330,436
Donated leasehold assets	2,028,100	-	(53,096)	(16,684)	-	1,958,320
	<u>2,445,056</u>	<u>20,480</u>	<u>(102,632)</u>	<u>-</u>	<u>-</u>	<u>2,362,904</u>
Total Restricted funds	<u>1,958,442</u>	<u>1,668,659</u>	<u>(1,721,847)</u>	<u>-</u>	<u>(404,000)</u>	<u>1,501,254</u>
Total funds	<u>2,225,439</u>	<u>1,741,504</u>	<u>(1,805,861)</u>	<u>-</u>	<u>(404,000)</u>	<u>1,757,082</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Statement of funds (continued)

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

Unrestricted General Funds

This fund represents those which may be used towards meeting any of the charitable objectives at the discretion of the trustees.

Restricted General Funds

This fund represents grants received for the academy's educational operations.

Pension Fund

This fund represents the academy's share of the pension liability on the LGPS pension fund.

Restricted Fixed Asset Fund

This fund relates to grant funding received from the ESFA to carry out works of a capital nature and the donation of leasehold land and buildings from Staffordshire County Council and a small amount of capital expenditure from GAG funding.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

16. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	266,603	71,703	(63,162)	(8,147)	-	266,997
Restricted general funds						
General Annual Grant (GAG)	353	1,278,015	(1,109,018)	(2,964)	-	166,386
Other DfE/ESFA Grants	-	74,884	(83,031)	8,147	-	-
Pupil Premium	-	145,903	(145,903)	-	-	-
Other Government Grants	-	107,131	(107,131)	-	-	-
Other income	-	42,342	(42,342)	-	-	-
Pension reserve	(781,000)	-	(92,000)	-	220,000	(653,000)
	(780,647)	1,648,275	(1,579,425)	5,183	220,000	(486,614)
Restricted fixed asset funds						
Transfer from legacy school	43,431	-	(353)	-	-	43,078
DfE/ESFA Capital Grants	(9,537)	7,557	(984)	2,964	-	-
Capital expenditure from GAG	433,168	-	(59,290)	-	-	373,878
Donated leasehold assets	2,068,983	-	(40,883)	-	-	2,028,100
	2,536,045	7,557	(101,510)	2,964	-	2,445,056
Total Restricted funds	1,755,398	1,655,832	(1,680,935)	8,147	220,000	1,958,442
Total funds	2,022,001	1,727,535	(1,744,097)	-	220,000	2,225,439

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

17. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	2,360,994	2,360,994
Current assets	255,828	411,386	1,910	669,124
Creditors due within one year	-	(141,036)	-	(141,036)
Provisions for liabilities and charges	-	(1,132,000)	-	(1,132,000)
Total	255,828	(861,650)	2,362,904	1,757,082

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	2,445,055	2,445,055
Current assets	266,997	283,290	-	550,287
Creditors due within one year	-	(116,903)	-	(116,903)
Provisions for liabilities and charges	-	(653,000)	-	(653,000)
Total	266,997	(486,613)	2,445,055	2,225,439

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(64,357)	(16,562)
Adjustments for:		
Depreciation	102,632	101,511
Capital grants from DfE and other capital income	(20,480)	(7,557)
Interest receivable	(1,665)	(782)
Defined benefit pension scheme cost less contributions payable	56,000	72,000
Defined benefit pension scheme finance cost	19,000	20,000
Decrease/(increase) in debtors	6,434	(6,290)
Increase in creditors	24,133	13,314
Net cash provided by operating activities	121,697	175,634

19. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	1,665	782
Purchase of tangible fixed assets	(18,571)	(10,522)
Capital grants from DfE Group	20,480	7,556
Net cash provided by/(used in) investing activities	3,574	(2,184)

20. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	607,393	482,122
Total cash and cash equivalents	607,393	482,122

21. Pension commitments

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

21. Pension commitments (continued)

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

Contributions amounting to £22,136 were payable to the schemes at 31 August 2019 (2018 - £20,150) 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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £102,000 (2018 - £81,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. Pension commitments (continued)

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 2019 was £114,000 (2018 - £108,000), of which employer's contributions totalled £91,000 (2018 - £85,000) and employees' contributions totalled £ 23,000 (2018 - £23,000). The agreed contribution rates for future years are 24.2% per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.70	2.70
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	1.90	2.80
Commutation of pensions to lump sums - post April 2008	75.00	75.00
Commutation of pensions to lump sums - pre April 2008	50.00	50.00

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.2	24.1
Females	24.8	26.4

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. Pension commitments (continued)

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	(73)	(49)
Discount rate -0.1%	73	49
CPI rate +0.1%	56	36
CPI rate -0.1%	(56)	(36)
Salary increase rate +0.1%	15	12
Salary increase rate -0.1%	(15)	(12)

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	602,000	506,000
Corporate bonds	195,000	137,000
Property	71,000	58,000
Cash and other liquid assets	17,000	22,000
Total market value of assets	885,000	723,000

The actual return on scheme assets was £45,500 (2018 - £38,500).

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

	2019	2018
	£	£
Current service cost	(136,000)	(157,000)
Past service cost	(11,000)	-
Interest income	22,000	16,000
Interest cost	(41,000)	(36,000)
Total amount recognised in the Statement of Financial Activities	(166,000)	(177,000)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

21. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	1,376,000	1,355,000
Current service cost	136,000	157,000
Interest cost	41,000	36,000
Employee contributions	23,000	23,000
Actuarial losses/(gains)	431,000	(194,000)
Benefits paid	(1,000)	(1,000)
Past service costs	11,000	-
At 31 August	2,017,000	1,376,000

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

	2019 £	2018 £
At 1 September	723,000	574,000
Interest income	22,000	16,000
Actuarial gains	27,000	26,000
Employer contributions	91,000	85,000
Employee contributions	23,000	23,000
Benefits paid	(1,000)	(1,000)
At 31 August	885,000	723,000

22. Operating lease commitments

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Amounts payable:		
Not later than 1 year	7,834	1,594
Later than 1 year and not later than 5 years	22,370	2,587
	30,204	4,181

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

23. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

24. Related party transactions

No related party transactions took place in the period of accounts, other than certain trustees' remuneration and expenses already disclosed in note 11.

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