

Registration number: 08431840

Heather Garth Primary School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

Forrester Boyd
Chartered Accountants
Waynelete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

Heather Garth Primary School

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Heather Garth Primary School

Reference and Administrative Details

Members	S Farr S D Farr L Love (appointed 13 December 2018)
Trustees (Directors)	S Farr, Chair S D Farr (resigned 6 June 2019) M Bower P Bennett C Blackshaw E Currie L Love A Sanderson R C Lazenby (appointed 11 July 2019)
Head Teacher	J Winnard
Senior Management Team	J Winnard, Headteacher R Lancaster, Assistant Headteacher M Bower, Assistant Headteacher C Sagar, Foundation and key stage one leader G Slater, School Business Manager
Principal and Registered Office	Billingley View Bolton-Upon-Dearne Rotherham South Yorkshire S63 8ES
Company Registration Number	08431840
Auditors	Forrester Boyd Chartered Accountants Waynefflete House 139 Eastgate Louth Lincolnshire LN11 9QQ

Heather Garth Primary School

Reference and Administrative Details (continued)

Bankers The Royal Bank of Scotland
Attercliffe
747 Attercliffe Road
Sheffield
S9 3RF

Solicitors Hill Dickinson LLP
1 St. Paul's Square
Liverpool
L3 9SJ

Heather Garth Primary School

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 ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The Academy is a company limited by guarantee. The Academy's Memorandum and Articles of Association are the primary governing documents of the Academy.

The charitable company is known as Heather Garth Primary Academy.

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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before they ceased to be member.

Trustees' indemnities

The Academy has purchased RPA Liability insurance from the ESFA.

Principal Activities

The principal objective of the Academy is Education, the Academy being a stand alone Academy.

Method of recruitment and appointment or election of Trustees

All Trustees are appointed by the members as it may determine. Full details relating to the appointment and removal of Trustees are contained within the Articles of Association.

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

The Academy has a Board of Trustees to undertake the operation of the school in line with the agreed Scheme of Delegation.

The Board of Trustees is made up of Trustees which are placed on different committees.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Governors will depend on their existing experience.

The Academy has subscribed to the Governor training programme provided by the local authority and the National Governors Association. The Academy also subscribes to "Modern Governor" and "The Key for School Governors".

All Governors are provided with copies of procedures, policies, minutes, accounts, budget plans and other documents that they will need to undertake their role as Governors.

Heather Garth Primary School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Organisational structure

A clear management structure exists to manage the Academy effectively.

The Governors are responsible for strategic direction and planning, approving the budget, monitoring performance and making major decisions.

The Senior Leadership Team is made up of the Headteacher, two Assistant Headteachers and a School Business Manager. The Leadership team is responsible for the day to day operation of the Academy.

The full Governing Body meets for a full afternoon at least twice a term. Committees run alongside the full Governing body, Finance meet at least once a term.

Roles and responsibilities are clearly defined in the Scheme of Delegation.

Arrangements for setting pay and remuneration of key management personnel

The governing body determine the pay and remuneration of key management personnel as well as the rest of the school staff. The Academy follows the school teachers pay and conditions document as well as the local government pay scales.

The governing body determine the headteacher group. The headteacher group corresponds to a broad pay range, and is determined on the basis of the total unit score. The total unit score is calculated based on the age and number of pupils in the school.

Deputy and assistant headteachers will have their pay range determined in relation to the headteacher group, and based on how much the role fits within the leadership structure of the school.

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, provision of facilities, and other operational areas and the Academy finances.

The Academy has in place systems and procedures such as vetting of new staff and visitors and internal financial controls in order to minimise risk. Adequate insurance cover is in place.

The key controls used by the Academy are:-

- Detailed and documented terms of reference for all committees.
- Comprehensive strategic planning, budgeting and accounting.
- Established organisational structure and clear lines of accountability and reporting.
- Formal written policies.
- Clear authorisation and approval levels.
- Vetting procedures.
- Reporting systems.

Objectives and activities

Objects and aims

- To raise the standard of educational achievements of all pupils.
- To ensure every child enjoys the same high quality of education in terms of resourcing, teaching and learning.
- To comply with all appropriate statutory and curriculum requirements.
- To provide value for money for funds expended.
- To conduct the Academy business in accordance with the highest standards of integrity and openness.

Heather Garth Primary School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Objectives, strategies and activities

- Provide high quality professional learning opportunities for all Academy employees.
- Provide the learning opportunities for all pupils to attain and achieve.
- Provide pupils with a wide range of enrichment activities.
- Ensure a process of continual monitoring and review of teaching, learning and the curriculum.
- Rigorous tracking and analysis of pupil attainment data.
- Continue to develop partnership working with parents and carers.
- Continue to develop links with other schools, sharing expertise.
- Ensure that the Academy is at the centre of the local community.

Public benefit

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

Heather Garth Primary School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Achievements and performance

The public examination results in key stage 1 and key stage 2 SATS continued to reflect the level of achievement from pupils.

Key Stage 1 measure	Reading	67%
	Writing	67%
Percentage of children attaining at expected standard in Reading, Writing and Maths	Maths	70%
	Y1 Phonics	73%

Key Stage 2 measure	Reading	75%
	Writing	75%
Percentage of children attaining at least expected standard in Reading, Writing and Maths	Maths	79%
	Combined	68%

Key financial performance indicators

We aim to:-

- Deliver a surplus budget at year end.
- Distribute expenditure evenly throughout the year.
- Ensure that actual expenditure is closely monitored with budgeted expenditure.
- Minimise expenditure through smarter procurement and best value.
- Generate additional income.

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Key non-financial performance indicators

Ofsted Grading - Good - March 2019

National Data

The governors can see improvements in the main academic achievements for the year and are pleased with the work that is taking place in school to close the gap to national by the end of KS2. They are aware of the priorities and the work taking place in school to ensure continued improvements.

EYFS - GLD is 66.7% although it is 5.2% below national, the results have improved by 5.4% and the average point score has risen 2.6 points since 2017. Results from Baseline show that 70% of children come in below or well below compared against national of 47%.

KS1 - Reading, Writing and Maths combined is 63%, which is broadly in line with national.

KS2 - Reading, Writing and Maths combined is 68% which is above the national average of 65% and an increase of 15% since 2018. Greater depth 14% which is above the national average of 11% and an increase of 14.3% since 2018.

Reading shows increase of 13.2% since 2018, with an increase of 32.1% in greater depth. Scaled score 105 an increase of 4.2 points since 2018

Writing shows an increase of 1.5% since 2018, with an increase of 3.2% in greater depth.

Mathematics shows increase of 19.8% since 2018, with an increase of 18.3% in greater depth. Scaled score 106.2 an increase of 6.4 points since 2018.

Key Stage 1 to Key Stage 2 progress band in reading and writing it is average with above average for maths.

Going concern

After making 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 it continues to adopt the going concern basis in preparing the financial statements.

Financial review

The majority of school income is obtained from the Education & Skills Funding Agency (ESFA) in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ending 31st August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives additional income shown as trading income. Trading income consists of nursery fees (fees charged over and above the free 15 hours/ 30 hours entitlement), breakfast, after school and holiday club fees and Income for providing financial services to other schools.

During the period 31st August 2019, the excess of revenue expenditure over income for the period was £375,272.

Total funds carried forward amount to £291,749 (2018: £1,102,021). This included the restricted fixed asset fund of £1,498,123 (2018: £1,701,141) and the restricted pension reserve deficit of £1,322,000 (2018: £782,000). After eliminating these balances the 'free' reserves available to the academy are £115,626 (2018: £177,880). This is in line with the Academy strategy to build and maintain adequate reserves to fund plans for the future.

Heather Garth Primary School

Trustees' Report for the Year Ended 31 August 2019 (continued)

Strategic Report

Financial and risk management objectives and policies

The main financial risks are mitigated through the employment of sound financial management and internal control processes.

- A balanced budget is set and monitored by the Business Manager and finance committee.
- Bank reconciliations are carried out monthly. All BACS payments and cheques are signed by the authorised signatories. Fixed asset registers are in place and a process is in place for the disposal of assets.
- Payroll is outsourced and checked each month.
- The remaining risks are mitigated to a large extent through a comprehensive insurance policy.

Reserves policy

The Governors will review the reserve level of the Academy regularly.

The Governors determine what the level of uncommitted reserves should be. The aim is to provide sufficient working capital to cover delays between the receipt of grant and to provide a cushion to deal with unexpected emergencies.

Investment policy

Cash balances are safeguarded by investing them in interest bearing current and deposit accounts with the Royal Bank of Scotland.

Principal risks and uncertainties

The principal risks to the Academy is documented and managed using a risk management policy and risk register which is regularly reviewed. Key controls are in place to mitigate risks these are

- A structure with clearly defined roles, responsibilities and authorisation levels;
- Documented terms of reference for committees;
- Financial planning, budgeting and regular management reporting;
- Written policies for employees;
- Vetting procedures as required by legislation;

Plans for future periods

- To strive for continuous improvement in performance indicators.
- To continue to develop school facilities and resources.
- To continue to share good practice with other schools.
- To develop the local community's use of school facilities and resources.
- To continue to build financial reserves to fund building and other investment needs

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Trustees' Report for the Year Ended 31 August 2019 (continued)

Auditor

Insofar as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 9 December 2019 and signed on its behalf by:



S Farr

Chair of Trustees

Heather Garth Primary School

Governance Statement

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to J Winnard, 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 Heather Garth Primary School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
S Farr	3	4
S D Farr	3	3
M Bower	4	4
P Bennett	3	4
C Blackshaw	4	4
E Currie	3	4
L Love	4	4
A Sanderson	3	4
R C Lazenby	1	1

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. Attendance at meetings during the year was as follows: Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
C Blackshaw	3	4
M Bower	4	4
L Love	4	4
J Winnard	4	4

Effective oversight of funds

Although the Board of Governors met 4 times during the year, finance meetings have also been held up to twice a term. The minutes from these have been presented to the full board of Governors to keep them informed. The Chair of Governors is in school on a regular basis and goes through the reports each month.

Heather Garth Primary School

Governance Statement (continued)

Review of value for money

As accounting officer the trustee 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 trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- The Directors of Heather Garth Academy are accountable for the way in which resources are allocated to meet the objectives set out in the school improvement plan,
- The Directors work to secure the best possible outcomes for the pupils within the school in the most efficient and effective way. This will lead to continuous improvement in the schools achievements and services,
- As a school we work in collaboration with other schools procuring services and sharing training,
- The Directors ensure that brokered services are annually reviewed to ensure best value costs are compared along with quality provision.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Heather Garth Primary School for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided to appoint a suitably qualified governor as internal auditor going forward.

- not to appoint an internal auditor. However the Trustees have appointed Forrester Boyd as Responsible Officer

Heather Garth Primary School

Governance Statement (continued)

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks to be carried out are:

- testing of payroll systems
- testing of purchasing systems
- testing of control account / bank reconciliations

On a quarterly basis, the internal auditor Responsible Officer will report to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

During the year there were no internal audit checks carried out following the change of auditors. The governing body does take additional assurance in their internal controls from regular gathering of information, reporting to finance committee meetings and regular meetings with the finance committee chair.

There were no material control or other issues reported by the Responsible Officer to date.

Review of effectiveness

As Accounting Officer, J Winnard 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 responsible officer ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 9 December 2019 and signed on its behalf by:



S Farr
Trustee



J Winnard
Accounting Officer
Head Teacher

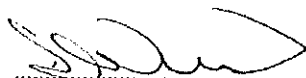
Heather Garth Primary School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Heather Garth Primary School I have considered my responsibility to notify the academy trust Governing Body 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 2018.

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



J Winnard
Accounting Officer

9 December 2019

Heather Garth Primary School

Statement of Trustees' Responsibilities

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

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

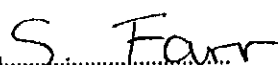
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 9 December 2019 and signed on its behalf by:



S Farr
Chair of Trustees

Heather Garth Primary School

Independent Auditor's Report on the Financial Statements to the Members of Heather Garth Primary School

Opinion

We have audited the financial statements of Heather Garth Primary School (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its results 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 and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the Provisions Available for Audits of Small Entities, in the circumstances set out in the accounting policies to the financial statements, 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.

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

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

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.

Heather Garth Primary School

Independent Auditor's Report on the Financial Statements to the Members of Heather Garth Primary School (continued)

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 14], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy'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.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.

Heather Garth Primary School

Independent Auditor's Report on the Financial Statements to the Members of Heather Garth Primary School (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Alan Nesbitt BA FCA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

Wayneffete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

9 December 2019

Heather Garth Primary School

Independent Reporting Accountant's Report on Regularity to Heather Garth Primary School and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 May 2019 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 Heather Garth Primary School during the period 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 Heather Garth Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Heather Garth Primary School and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Heather Garth Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 14 May 2013 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 from 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:


- evaluating the systems and control environment;
- assessing the risk of irregularity, impropriety and non-compliance;
- confirming that the activities of the academy are in keeping with the academy's framework and the charitable objectives; and
- obtaining representations from the accounting officer and key management personnel.

Heather Garth Primary School

Independent Reporting Accountant's Report on Regularity to Heather Garth Primary School and the Education & Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 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.



.....
Alan Nesbitt BA FCA (Reporting Accountant)
For and on behalf of Forrester Boyd, Chartered Accountants

Waynelete House
139 Eastgate
Louth
Lincolnshire
LN11 9QQ

9 December 2019

Heather Garth Primary School

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:					
Donations and capital grants	2	21,391	-	17,500	38,891
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,144,439	-	1,144,439
Other trading activities	4	98,013	-	-	98,013
Investments	5	467	-	-	467
Total		<u>119,871</u>	<u>1,144,439</u>	<u>17,500</u>	<u>1,281,810</u>
Expenditure on:					
Raising funds	6	6,288	5,103	-	11,391
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>36,959</u>	<u>1,379,485</u>	<u>229,247</u>	<u>1,645,691</u>
Total		<u>43,247</u>	<u>1,384,588</u>	<u>229,247</u>	<u>1,657,082</u>
Net income/(expenditure)		76,624	(240,149)	(211,747)	(375,272)
Transfers between funds		(149,788)	141,059	8,729	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(435,000)	-	(435,000)
Net movement in deficit		(73,164)	(534,090)	(203,018)	(810,272)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2018		<u>154,007</u>	<u>(753,127)</u>	<u>1,701,141</u>	<u>1,102,021</u>
Total funds/(deficit) carried forward at 31 August 2019		<u>80,843</u>	<u>(1,287,217)</u>	<u>1,498,123</u>	<u>291,749</u>

Heather Garth Primary School

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Donations and capital grants	2	25,314	-	197,318	222,632
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,202,281	-	1,202,281
Other trading activities	4	95,718	-	-	95,718
Investments	5	524	-	-	524
Total		<u>121,556</u>	<u>1,202,281</u>	<u>197,318</u>	<u>1,521,155</u>
Expenditure on:					
Raising funds	6	10,432	2,444	-	12,876
<i>Charitable activities:</i>					
Academy trust educational operations	7	36,195	1,294,378	221,026	1,551,599
Total		<u>46,627</u>	<u>1,296,822</u>	<u>221,026</u>	<u>1,564,475</u>
Net income/(expenditure)		74,929	(94,541)	(23,708)	(43,320)
Transfers between funds		(24,898)	24,898	-	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	22	-	210,000	-	210,000
Net movement in funds/(deficit)		50,031	140,357	(23,708)	166,680
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		<u>103,976</u>	<u>(893,484)</u>	<u>1,724,849</u>	<u>935,341</u>
Total funds/(deficit) carried forward at 31 August 2018		<u>154,007</u>	<u>(753,127)</u>	<u>1,701,141</u>	<u>1,102,021</u>

Heather Garth Primary School
(Registration number: 08431840)
Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	1,471,384	1,485,395
Current assets			
Stocks	12	953	3,068
Debtors	13	41,730	50,567
Cash at bank and in hand		<u>156,999</u>	<u>381,687</u>
		199,682	435,322
Creditors: Amounts falling due within one year	14	<u>(57,317)</u>	<u>(36,696)</u>
Net current assets		<u>142,365</u>	<u>398,626</u>
Total assets less current liabilities		<u>1,613,749</u>	<u>1,884,021</u>
Net assets excluding pension liability		1,613,749	1,884,021
Pension scheme liability	22	<u>(1,322,000)</u>	<u>(782,000)</u>
Net assets including pension liability		<u>291,749</u>	<u>1,102,021</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		34,783	28,873
Restricted fixed asset fund		1,498,123	1,701,141
Restricted pension fund		<u>(1,322,000)</u>	<u>(782,000)</u>
		210,906	948,014
Unrestricted funds			
Unrestricted general fund		<u>80,843</u>	<u>154,007</u>
Total funds		<u>291,749</u>	<u>1,102,021</u>

The financial statements on pages 20 to 42 were approved by the Trustees, and authorised for issue on 9 December 2019 and signed on their behalf by:

S. Farr
S Farr
Trustee

Heather Garth Primary School

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash used in operating activities	18	(217,179)	(95,172)
Cash flows from investing activities	19	<u>(7,509)</u>	<u>197,268</u>
Change in cash and cash equivalents in the year		(224,688)	102,096
Cash and cash equivalents at 1 September		<u>381,687</u>	<u>279,591</u>
Cash and cash equivalents at 31 August	20	<u>156,999</u>	<u>381,687</u>

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

General Information

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 08431840.

The address of its registered office is:

Billingley View
Bolton-On-Dearne
Rotherham
S63 8ES

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

These financial statements cover the individual entity, Heather Garth Primary School.

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling, the functional currency, and are rounded to the nearest pound.

In common with many other businesses of our size and nature, we use our auditor to assist with the preparation of the financial statements under the FRC's Ethical Standard - provisions available for audits of small entities.

Going concern

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

Income

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

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Grants

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

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

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

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Expenditure

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £500 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, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Long-term leasehold land	Straight line over 125 years
Long-term leasehold buildings	Straight line over 50 years
Computer equipment	Straight line over 3 years
Fixtures, fittings and equipment	Straight line over 5 years

The land and buildings are granted to the Academy Trust on a 125 year lease from Barnsley Metropolitan Borough Council. It was recognised on conversion and is being depreciated accordingly.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Provisions

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

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

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Stock

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

Taxation

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

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

Pension benefits

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

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

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

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

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 (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 2016 has been used by the actuary in valuing the pensions liability at 31/08/2019. 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.

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Educational trips and visits	13,620	-	13,620	12,838
Capital grants	-	17,500	17,500	197,318
Other donations	7,771	-	7,771	12,476
	<u>21,391</u>	<u>17,500</u>	<u>38,891</u>	<u>222,632</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2018/19 Total £	2017/18 Total £
DfE/ESFA revenue grants			
General Annual Grant (GAG)	857,031	857,031	905,316
PE and Sports grant	17,800	17,800	17,890
Universal Infant Free School Meals	31,723	31,723	25,965
Pupil Premium	96,315	96,315	97,720
Other DfE / ESFA grants	600	600	-
Teacher's Pay Grant	7,498	7,498	-
	<u>1,010,967</u>	<u>1,010,967</u>	<u>1,046,891</u>
Other government grants			
High Needs Funding	17,461	17,461	21,875
Early Years Funding	116,011	116,011	133,515
	<u>133,472</u>	<u>133,472</u>	<u>155,390</u>
Total grants	<u>1,144,439</u>	<u>1,144,439</u>	<u>1,202,281</u>

4 Other trading activities

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Catering income	23,532	23,532	25,482
School shop sales	2,711	2,711	5,076
Recharges and reimbursements	5,108	5,108	2,878
Other sales	13,549	13,549	6,658
Nursery Income	53,113	53,113	55,624
	<u>98,013</u>	<u>98,013</u>	<u>95,718</u>

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

5 Investment income

	Unrestricted funds £	Total 2019 £	Total 2018 £
Interest received	467	467	524

6 Expenditure

	Non Pay Expenditure			Total 2019 £	Total 2018 £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds	-	-	11,391	11,391	12,876
Academy's educational operations					
Direct costs	772,105	33,244	41,732	847,081	808,626
Allocated support costs	362,707	284,975	150,928	798,610	742,973
	1,134,812	318,219	204,051	1,657,082	1,564,475

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	1,289	1,289
Depreciation	39,486	57,644
Fees payable to auditor - audit	4,950	4,700
- other audit services	280	270

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

7 Charitable activities

	Total 2019 £	Total 2018 £
Direct costs - educational operations		
Teaching and educational support staff costs	772,105	724,740
Depreciation	33,244	32,588
Educational supplies	16,294	19,108
Examination fees	27	-
Staff development	2,846	6,329
Other direct costs	<u>22,565</u>	<u>25,861</u>
	<u>847,081</u>	<u>808,626</u>
 Support costs - educational operations		
Support staff costs	279,707	302,722
LGPS Service cost adjustment	83,000	47,000
Depreciation	6,242	25,056
Technology costs	17,267	17,913
Maintenance of premises and equipment	244,765	191,791
Cleaning	904	1,206
Rent, rates and utilities	27,904	34,025
Insurance	5,160	4,818
Recruitment and support	330	115
Security and transport	1,460	1,406
Catering	45,380	40,478
Bank interest and charges	461	297
LGPS admin cost	2,000	2,000
Interest on defined benefit pension scheme	20,000	20,000
Professional fees	13,914	13,545
Other support costs	26,675	21,491
Staff insurance	17,271	13,390
Governance costs	<u>6,170</u>	<u>5,720</u>
	<u>798,610</u>	<u>742,973</u>
 Total direct and support costs	<u>1,645,691</u>	<u>1,551,599</u>

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff

Staff costs

	2019 £	2018 £
Staff costs during the year were:		
Wages and salaries	776,998	762,460
Social security costs	65,846	64,911
Operating costs of defined benefit pension schemes	<u>248,960</u>	<u>200,595</u>
	1,091,804	1,027,966
Supply staff costs	30,145	44,992
Staff restructuring costs	<u>12,863</u>	<u>1,504</u>
	<u>1,134,812</u>	<u>1,074,462</u>
	2019 £	2018 £
Staff restructuring costs comprise:		
Redundancy payments	7,109	1,504
Severance payments	<u>5,754</u>	<u>-</u>
	<u>12,863</u>	<u>1,504</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,754 (2018: £Nil). Individually, the payments were:

Non-statutory payments £5,754

Staff numbers

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

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	6	7
Administration and support	28	27
Management	<u>4</u>	<u>4</u>
	<u>38</u>	<u>38</u>

Higher paid staff

There were no employees during the year whose emoluments exceeded £60,000.

		2019 No
£60,001 - £70,000		<u>1</u>

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff (continued)

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £282,093 (2018: £277,148).

9 Related party transactions - trustees' remuneration and expenses

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

M Bower (staff trustee):

Remuneration: £40,000 - £45,000 (2018 - £40,000 - £45,000)
Employer's pension contributions: £5,000 - £10,000 (2018 - £5,000 - £10,000)

P Bennett (staff trustee):

Remuneration: £20,000 - £25,000 (2018 - £25,000 - £30,000)
Employer's pension contributions: £0 - £5,000 (2018 - £0 - £5,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £Nil (2018 - £Nil) were reimbursed or paid directly to 0 trustees (2018 - 0).

Other related party transactions involving the trustees are set out in note 23.

10 Trustees' and officers' insurance

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

The cost of this insurance is included within total insurance cost.

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

11 Tangible fixed assets

	Long leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2018	1,630,000	174,608	122,306	1,926,914
Additions	-	15,880	9,596	25,476
At 31 August 2019	<u>1,630,000</u>	<u>190,488</u>	<u>131,902</u>	<u>1,952,390</u>
Depreciation				
At 1 September 2018	151,305	169,899	120,315	441,519
Charge for the year	28,820	6,023	4,644	39,487
At 31 August 2019	<u>180,125</u>	<u>175,922</u>	<u>124,959</u>	<u>481,006</u>
Net book value				
At 31 August 2019	<u>1,449,875</u>	<u>14,566</u>	<u>6,943</u>	<u>1,471,384</u>
At 31 August 2018	<u>1,478,695</u>	<u>4,709</u>	<u>1,991</u>	<u>1,485,395</u>

12 Stock

	2019 £	2018 £
Stock	<u>953</u>	<u>3,068</u>

13 Debtors

	2019 £	2018 £
Trade debtors	-	750
VAT recoverable	6,984	10,993
Other debtors	-	3,672
Prepayments	18,210	17,396
Accrued grant and other income	<u>16,536</u>	<u>17,756</u>
	<u>41,730</u>	<u>50,567</u>

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	41	-
Other taxation and social security	16,600	16,043
Other creditors	-	134
Accruals	32,600	13,380
Pension scheme creditor	8,076	7,139
	57,317	36,696

15 Funds

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant	-	857,031	(998,090)	141,059	-
Pupil premium	15,890	96,315	(95,925)	-	16,280
Universal Free School Meals	12,983	31,723	(26,203)	-	18,503
Other DfE	-	25,898	(25,898)	-	-
High Needs income	-	17,461	(17,461)	-	-
Early years income	-	116,011	(116,011)	-	-
	28,873	1,144,439	(1,279,588)	141,059	34,783
Restricted fixed asset funds					
DfE Capital grants	215,746	17,500	(194,358)	-	38,888
Assets transferred on conversion	1,485,395	-	(34,889)	8,729	1,459,235
	1,701,141	17,500	(229,247)	8,729	1,498,123
Restricted pension funds					
Restricted pension fund	(782,000)	-	(105,000)	(435,000)	(1,322,000)
Total restricted funds	948,014	1,161,939	(1,613,835)	(285,212)	210,906
Unrestricted funds					
Unrestricted general funds	154,007	119,871	(43,247)	(149,788)	80,843
Total funds	1,102,021	1,281,810	(1,657,082)	(435,000)	291,749

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

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Funds (continued)

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant	-	905,316	(930,214)	24,898	-
Pupil premium	16,570	97,720	(98,400)	-	15,890
Universal Free School Meals	12,946	25,965	(25,928)	-	12,983
Other DfE	-	17,890	(17,890)	-	-
High Needs income	-	21,875	(21,875)	-	-
Early years income	-	133,515	(133,515)	-	-
	<u>29,516</u>	<u>1,202,281</u>	<u>(1,227,822)</u>	<u>24,898</u>	<u>28,873</u>
Restricted fixed asset funds					
DfE Capital grants	187,316	197,318	(168,888)	-	215,746
Assets transferred on conversion	1,530,139	-	(44,744)	-	1,485,395
Capital expenditure from GAG	7,394	-	(7,394)	-	-
	<u>1,724,849</u>	<u>197,318</u>	<u>(221,026)</u>	<u>-</u>	<u>1,701,141</u>
Restricted pension funds					
Restricted pension fund	<u>(923,000)</u>	<u>-</u>	<u>(69,000)</u>	<u>210,000</u>	<u>(782,000)</u>
Total restricted funds	831,365	1,399,599	(1,517,848)	234,898	948,014
Unrestricted funds					
Unrestricted general funds	<u>103,976</u>	<u>121,556</u>	<u>(46,627)</u>	<u>(24,898)</u>	<u>154,007</u>
Total funds	<u><u>935,341</u></u>	<u><u>1,521,155</u></u>	<u><u>(1,564,475)</u></u>	<u><u>210,000</u></u>	<u><u>1,102,021</u></u>

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

15 Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the academy. The Academy Trust was not subject to a limit on GAG carry forward.

Pupil Premium may be spent for the educational benefit of pupils registered at the school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year.

DfE capital grants consist of Devolved Formula Capital and Condition Improvement Fund (CIF). Devolved Formula Capital is allocated direct by the DfE and can be used for improvements to buildings and other facilities, including ICT, or capital repairs / refurbishment and minor works. CIF is an annual bidding round to which academies can apply for capital funding. The academy was successful in receiving a CIF grant to replace the school roof and heating in 2018. The CIF funds carried forward in relation to the heating grant was £26,738 as at 31st August 2019.

The pension reserve recognises the school's current deficit position in respect of the Local Government Pension Scheme.

Universal Free School meals income must be used to provide all pupils in reception, year 1 and year 2 with a free school lunch.

During the year a transfer of £141,059 was made from unrestricted funds to restricted general funds. The trust continue to generate large amounts of unrestricted income, some of which they have transferred to support their restricted income funds. A transfer of £8,729 was made from restricted general funds to the restricted fixed asset fund for capital additions purchased from GAG.

16 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,471,384	1,471,384
Current assets	80,843	92,100	26,739	199,682
Current liabilities	-	(57,317)	-	(57,317)
Pension scheme liability	-	(1,322,000)	-	(1,322,000)
Total net assets	80,843	(1,287,217)	1,498,123	291,749

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,485,395	1,485,395
Current assets	154,007	65,569	215,746	435,322
Current liabilities	-	(36,696)	-	(36,696)
Pension scheme liability	-	(782,000)	-	(782,000)
Total net assets	154,007	(753,127)	1,701,141	1,102,021

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts due within one year	967	1,289
Amounts due between one and five years	-	967
	967	2,256

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

	2019	2018
	£	£
Net expenditure	(375,272)	(43,320)
Depreciation	39,487	57,644
Capital grants from DfE and other capital income	(17,500)	(197,318)
Interest receivable	(467)	(524)
Defined benefit pension scheme obligation inherited	83,000	47,000
Defined benefit pension scheme finance cost	20,000	20,000
Defined benefit pension scheme admin expense	2,000	2,000
Decrease in stocks	2,115	865
Decrease/(increase) in debtors	8,837	(1,342)
Increase in creditors	20,621	19,823
Net cash used in Operating Activities	(217,179)	(95,172)

19 Cash flows from investing activities

	2019	2018
	£	£
Dividends, interest and rents from investments	467	524
Purchase of tangible fixed assets	(25,476)	(574)
Capital funding received from sponsors and others	17,500	197,318
Net cash (used in)/provided by investing activities	(7,509)	197,268

20 Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	156,999	381,687
Total cash and cash equivalents	156,999	381,687

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 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.

22 Pension and similar obligations

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

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 £(8,076) (2018 - £(7,139)) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

22 Pension and similar obligations (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% employer administration charge)
- 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 notional past service deficit of £22,000 million
- the assumed real rate of return is 2.8% 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 is 4.45%

The employer's pension costs paid to TPS in the period amounted to £61,313 (2018: £58,543).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a 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.

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £94,384 (2018 - £84,200), of which employer's contributions totalled £70,384 (2018 - £60,399) and employees' contributions totalled £24,000 (2018 - £23,801). The agreed contribution rates for future years are 12.1 per cent for employers and 5.5 - 8.5 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 an academy trust 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	3.40	3.40
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	1.80	2.80
Inflation assumptions (CPI)	<u>2.10</u>	<u>2.10</u>

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

22 Pension and similar obligations (continued)

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

	2019	2018
Retiring today		
Males retiring today	23.10	23.00
Females retiring today	25.90	25.80
Retiring in 20 years		
Males retiring in 20 years	25.30	25.20
Females retiring in 20 years	<u>28.30</u>	<u>28.10</u>
Sensitivity analysis		

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.1%	0.0%	- 0.1%
Adjustment to discount rate	£	£	£
Present value of total obligation	-	-	55,000
Projected service cost	-	-	<u>4,000</u>
Adjustment to rate of inflation	£	£	£
Present value of total obligation	56,000	-	-
Projected service cost	<u>4,000</u>	-	-
Adjustment to rate of salary growth	£	£	£
Present value of total obligation	13,000	-	-
Adjustment to mortality age rating assumption	£	£	£
Present value of total obligation	44,000	-	-
Projected service cost	<u>3,000</u>	-	-

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

	2019	2018
	£	£
Equities	642,000	555,000
Government bonds	175,000	149,000
Other bonds	89,000	76,000
Property	107,000	101,000
Cash and other liquid assets	39,000	48,000
Other	<u>174,000</u>	<u>114,000</u>
Total market value of assets	<u>1,226,000</u>	<u>1,043,000</u>

The actual return on scheme assets was £52,000 (2018 - £45,000).

Heather Garth Primary School

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

22 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2018/19 £	2017/18 £
Current service cost	(126,000)	(141,000)
Interest income	31,000	23,000
Interest cost	(51,000)	(43,000)
Admin expenses	2,000	2,000
Past service cost	<u>(67,000)</u>	<u>-</u>
Total amount recognized in the SOFA	<u>(211,000)</u>	<u>(159,000)</u>

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

	2018/19 £	2017/18 £
At start of period	1,825,000	1,805,000
Current service cost	126,000	141,000
Interest cost	51,000	43,000
Employee contributions	24,000	24,000
Actuarial (gain)/loss	487,000	(188,000)
Benefits paid	(32,000)	-
Past service cost	<u>67,000</u>	<u>-</u>
At 31 August	<u>2,548,000</u>	<u>1,825,000</u>

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

	2018/19 £	2017/18 £
At start of period	1,043,000	882,000
Interest income	29,000	21,000
Actuarial gain/(loss)	52,000	22,000
Employer contributions	110,000	94,000
Employee contributions	24,000	24,000
Benefits paid	<u>(32,000)</u>	<u>-</u>
At 31 August	<u>1,226,000</u>	<u>1,043,000</u>

23 Related party transactions

Owing to the nature of the Academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length where the value of the transactions is below the ESFA's de minimis limit. Any transactions above this limit will be reviewed to ensure that they are conducted on a non-profit basis. In either case the transactions will be conducted in accordance with the Academy's financial regulations and normal procurement procedures.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.