

Company Registration No. 09161532 (England and Wales)

**RYHOPE INFANT SCHOOL ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

RYHOPE INFANT SCHOOL ACADEMY

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RYHOPE INFANT SCHOOL ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs S Brown
Mrs J Belshaw
Mrs A Collingwood
Ms R Leonard
Mrs A Guthrie
Mrs H Guthrie (Resigned 25 November 2019)
Mr C Davidge (Appointed 5 March 2020)

Trustees

Mrs S Brown (Chair of Trustees)
Mrs H Hays (Vice Chair of Trustees)
Ms R Leonard
Mrs A Guthrie (Disqualified as Trustee) (Resigned 23 June 2020)
Mrs T Allen (Headteacher & Accounting Officer)
Mrs K Pinchen
Mr S R Hughes
Mr K Nicholson (Appointed 2 February 2020)
Mr D Walton-Raine (Appointed 5 March 2020)
Mrs C Gibson (Appointed 21 September 2020)

Senior management team

- Headteacher
- Deputy Headteacher & SENCo
- School Business Manager

Mrs T Allen
Miss E Lumsden
Mrs E Swansbury

Company registration number

09161532 (England and Wales)

Registered office

Shaftsbury Avenue
Sunderland
SR2 0RT

Independent auditor

Azets Audit Services
Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

Bankers

Lloyds Bank plc
54 Fawcett Street
Sunderland
Tyne & Wear
SR1 1SF

Solicitors

Stone King LLP
Thirty Station Road
Cambridge
CB1 2RE

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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

The trust operates an academy for pupils aged 3 to 7 serving a catchment area in Ryhope, in the North East of England. It has a pupil capacity of 195 primary aged pupils plus 104 part-time Nursery places. As at 16 January 2020 there were 150 primary age children on roll with 35 nursery children, of which 9 were full time and 26 part time.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Ryhope Infant School Academy are also the directors of the charitable company for the purposes of company law. The charitable company operates as Ryhope Infant School 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 3.

Members' liability

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

Trustees' indemnities

Every trustee of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he/she is acquitted or in connection with any application in which relief is granted by the court from liability for negligence default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Method of recruitment and appointment or election of trustees

Membership is determined in accordance with the composition set out in the Memorandum and Articles of Association. This states that:

- The members may appoint up to 8 Trustees;
- The members may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees (including the Headteacher) who are employees of the academy trust does not exceed one third of the total number of Trustees;
- The Headteacher is treated as an ex officio basis.
- a minimum of two Parent Trustees appointed under Articles 53- 58;
- Subject to Article 57, the Parent Trustees shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected.

Trustees may also appoint a co-opted Governor as described in Article 59. A co-opted governor means a person who is appointed to be a governor by being co-opted by Trustees who have not themselves been so appointed.

The term of office for any Governor shall be four years, save that this time limit will not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Policies and procedures adopted for the induction and training of trustees

All new trustees are given an induction to the Trust on appointment by the Clerk, on the Trustees roll and their responsibilities as a Trustee. External training opportunities are made available to individuals and at the whole Board throughout the year including training arranged by external training providers. These external providers include Sunderland Local Authority, Schools North East and the National Governors Association.

Organisational structure

The Academy's structure consists of four levels: the Members, the Trustees, the Senior Leadership Team (SLT) and the Business Manager.

The Members operate at a strategic level, with ultimate control over and responsibility for the direction of the Trust. They are the subscribers to the trust's memorandum of association and have an overview of the governance arrangements. They have the power to appoint and remove members and trustees in certain circumstances and by special resolution, issue direction to the Trustees to take specific action. They also appoint the Trust's auditors and receive the Trust's annual accounts.

The Trustees are responsible for determining general policy, adopting an annual School Improvement Plan following a self-evaluation review, monitoring the practices and procedures adopted by the Academy, determining strategic direction of the academy, capital expenditure and senior staff appointments. They delegate the day to day operational management to the SLT who follow policies determined by and adopted by the trustees.

The SLT consists of the Headteacher, Deputy Head and School Business Manager. The SLT lead and manage the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher and Trustees are responsible for authorisation of spending with agreed budgets as stated in the Scheme of Delegation and the Academy's Finance Handbook.

The Business Manager is responsible for the management of the financial systems, sourcing additional funds, ensuring efficient and effective use of resources. The Business Manager is also responsible for authorisation of spending up to agreed limits as stated in the Scheme of Delegation and Finance Handbook alongside the management of some support staff, facilities staff and the efficient operation of the school office.

The Headteacher is the Accounting Officer for the Academy.

Arrangements for setting pay and remuneration of key management personnel

The rules for determining the pay of key management personnel (for the purposes of this definition this includes the Headteacher who sits on the SLT) are set out in the School Teacher's Pay and Conditions Document (STPCD). Academies and free schools can set their own pay and conditions, but often choose to follow the STPCD.

The Trustees for Ryhope Infant School Academy has established a pay range for the Headteacher, in accordance with the STPCD. On determining the appropriate pay range, the Trustees consider the permanent responsibilities of the role, any challenges that are specific to the role and all other relevant considerations. As directed by the STPCD, the pay range for the Headteacher has not exceeded the maximum of the Headteacher group.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the regulations. The trust does not currently meet these criteria and therefore has not provided this information.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Related parties and other connected charities and organisations

Ryhope Infant School Academy is a single academy trust and has strong collaborative links with other schools within the local area, to gain the best outcomes for all children. Transactions therefore sometimes take place with these organisations, in which a trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's normal procurement process.

Trustees fully understand the importance of declaring business and pecuniary interests with either control or who can significantly influence the decisions and operations of the academy trust. There is currently Business and Finance Service Level Agreement in place with Diamond Hall Infant Academy in which the School Business Manager's time and expertise is shared across the two schools. The Headteacher of Diamond Hall Infant Academy sits as a member of Ryhope Infant Academy's Trust. Members are not ordinarily involved in any operational decision making processes unless they also serve as Trustees. In this instance, the related party is a member only and NOT a Trustee, therefore having no influence over the business of the Trust.

A register of business interests, where any trustees should declare an interest, is continually reviewed and is available to view on the academy's website. Should a trustee declare an interest, procedures are in place to address this. The Academy has adopted a policy that if there are any interests declared, the trustee would remove themselves from the decision making process.

Objectives and activities

Objects and aims

The principle objective of the Trust is to provide an education for pupils aged from 3 to 7 years with a wide range of abilities. We aim to create a learning environment where all children can achieve their potential. Our school motto is 'Learn to Live' which we believe exemplifies our aims.

Objectives, strategies and activities

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance.

The Academy aims to:

- Help our pupils to become independent, enquiring and collaborative learners.
- Embed wellbeing and resilience into our curriculum.
- Develop happy, motivated life-long learners equipped for the future.
- Nurture confident, healthy, caring and respectful individuals.
- Create thinking individuals, with values, who make a positive contribution to the world.
- Provide challenge through innovative teaching, enabling children to reach their full potential.
- Be inclusive and diverse allowing a range of opportunities for children to fulfil their highest potential, both academically, and in respect of their wider interests and talents.
- Ensure our curriculum facilitates the growing needs of all learners.
- Help children develop a growth mindset, a love of challenge and create a safe and secure learning environment where children embrace risk.
- To encourage parents to be active partners in their children's education.

Public benefit

The Academy Trustees confirm they have complied with their duty to have due regard to the guidance on public benefit as published by the Charity Commission in exercising its powers and duties. The standard of education offered to all pupils is outstanding and is referenced in the strategic report.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

The School Improvement Priorities identified by SLT and the Governing Body for 2019/2020 are:

Leadership & Management

- Leaders and Governors continue to have an accurate view of the school's strengths and areas for development.
- Subject leaders are confident at leading their own subject, evaluating and embedding areas for development to have greater impact on whole school standards.
- A continuing improvement in the % of pupils reaching age related expectations and greater depth.
- Staff appraisals are differentiated and set demanding targets which will impact on the quality of teaching and learning across the school.
- Family Liaison Officer and Safeguard lead will identify pupils who may need early help and support them and their family in achieving this.
- Engage parents and others from the local community.
- All staff given the opportunity to attend CPD to develop their knowledge and skills.
- Leadership to promote staff wellbeing.

The Quality of Education

- In light of Covid-19 ensure the curriculum meets the varying needs of the pupils – gaps in learning, emotional resilience, social needs, health needs, safety, mental health.
- Curriculum enhanced through collaboration, new learning opportunities and approaches.
- Pupils have many opportunities to develop broad interests and skills.
- All leaders relentlessly monitor teaching, curriculum and standards.
- Pupils are able to reflect on how and why questioning deepens their learning.
- Overcome potential barriers to learning and assessment for individuals and groups of pupils.
- Closing of gaps for PP and SEND pupils.

Behaviour and Attitudes

- To improve the attendance and punctuality of all children.
- To ensure that the Behaviour Policy and nurturing ethos of the school is understood and applied consistently.
- To ensure all staff have high expectations for pupils' behaviour and conduct.
- To build a culture of resilience.
- All pupils to take pride in their achievements.

Personal Development

- Develop a rich, relevant and purposeful curriculum which takes into account the development of the pupils' spiritual, moral, social and cultural development.
- Visits and visitors to be arranged to inspire learning, ensure that pupils understand, appreciate and respect difference in the world and to provide meaningful opportunities which will enhance the curriculum.

COVID19

The unprecedented COVID19 outbreak has placed significant pressure on the academy in terms of staffing levels, health and wellbeing and financial impact. We continue to work within national/regional guidance to prioritise the health and wellbeing of all stakeholders whilst closely monitoring any financial impacts and implementing mitigations where possible.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

The Academy has continued to attain high standards however we are unable to report on 2020 data due to Covid19.

Early Years Foundation Stage - 2020

Pupils achieving a good level of development

School	National
Unable to report due to Covid19	72% (in 2019)

Year 1 Phonics Screen 2020 Results – Children will complete Year 2 phonics screening assessments in December 2020.

School	National
Unable to report due to Covid19	82% (in 2019)

Key Stage 1 2020 Results

	Expected Standard		Greater Depth	
	School	National (in 2019)	School	National (in 2019)
Reading	Unable to report due to Covid19	75%	Unable to report due to Covid19	25%
Writing	Unable to report due to Covid19	69%	Unable to report due to Covid19	15%
Mathematics	Unable to report due to Covid19	76%	Unable to report due to Covid19	22%

Overall attendance is 94.4% for the 2019/20 academic year. This has fallen slightly since 2018/19 (95.2%). Persistent absence has decreased from 15.6% 18/19 To 12.6% 19/20.

Going concern

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

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

The majority of the Academy's income is received from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ending 31st August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives Early Years funding from the Local Authority, the use of which is restricted for particular purposes, as well as generating some additional funds through in year fundraising days, wraparound care and afterschool clubs which is included in the unrestricted funds.

During the period ending 31st August 2020 expenditure amounting to £1,250,258 was incurred or accrued, including depreciation. This was offset by grants receivable from the ESFA, the Local Authority and income from the wraparound care and afterschool clubs used to ensure this business is sustainable.

At 31st August 2020 the net book value of fixed assets was £1,893,827. The assets were used to exclusively to provide education and associated services to the pupils of the Academy.

The Academy made an operating surplus in the period to 31st August 2020 of £2,110 on unrestricted funds and a surplus of £55,288 on restricted general funds, before adjusting for the Local Government Pension Scheme. Fund balances held at 31st August 2020 were £1,415,033, comprising restricted reserves of £(714,151) and unrestricted reserves of £235,357 and fixed asset reserves of £1,893,827.

The financial impact of COVID19 has had a material effect on the Academy's finances during the period. Whilst the Academy has sufficient reserves to mitigate these additional costs, it is important to recognise the value of the loss of income plus additional expenditure. The loss of income for 2019-2020 is estimated to be £11,827 which is income that had been expected from parental contributions for extended services, school meals, music lessons and fundraising. In addition to the loss of income, the Academy saw increases in costs related to cleaning consumables, PPE, general equipment and resources, of around £4,100 and contracts totalling £4,150 which were still paid in full for the services that could not be provided but to whom we were contractually obligated to still pay. The total financial impact of COVID19 is estimated to be at least £20,077 for the period.

Total income excluding donated assets in the period was £1,193,524 of which £990,384 came from the ESFA revenue grants and £149,144 from other government grants. As the majority of the grant income is generated by pupil numbers it is imperative to ensure that pupil numbers remain high and vacancies are filled.

Reserves policy

The Trustees are responsible for determining the level of financial reserves to be carried forward at the end of any financial period. The Trustees have delegated the monitoring of potential period end reserves to the Resources Committee, as part of their terms of reference.

The Trustees will ensure that the levels of reserves that can be carried forward at the end of the financial period will be in line with the guidance received from the DfE on the treatment of General Annual Grant (GAG) income and other grants.

The Trustees will always match income with expenditure in the current period and will only carry forward reserves that it considers are necessary for future period's expenditure. The Trustees will consider the School Improvement Plan for capital developments required. The Trustees may accumulate reserve funds raised from private sources to defray for the benefit of the Academy in future years.

The Trustees consider it prudent to maintain a minimum level of reserves of £190k which equates to approximately 2 month's expenditure including staffing salary costs. This is considered sufficient to effectively manage and mitigate the Trust's main financial risks including any delays in grant receipts or sudden unforeseen increase in expenditure, short term shortfalls in cash flow, investment in programmed capital works and the cost of any emergency repairs and/or remedial works.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

At the period ending 31st August 2020, the Academy currently has a net surplus of £442,206 excluding pension reserves, comprising restricted reserves of £175,725 and unrestricted (Free) reserves of £266,481.

The reserves policy will be reviewed annually.

Investment policy

The Academy has an approved Investment Policy and if there are sufficient funds to meet all the Academy's financial commitments and surplus funds over £190k exist the Academy seeks to optimise return but ensure minimal risk. All investments will be made on a risk-averse basis, taking ethical considerations into account and need Governing Body approval.

In making decisions regarding where and how any surplus funds should be invested, due regard will be given to the "risk that the return on investments is not being maximised" and the "risk that trustees are not acting in accordance with the Investment Policy (e.g. investing in high risk investments which are not in the best interests of the Academy)".

The Academy has no funds invested as at 31st August 2020.

Principal risks and uncertainties

The Academy maintains an ongoing risk management plan and a risk register as part of the strategic planning carried out by SLT and Trustees which is reviewed on a regular basis. All risks identified including potential financial risks, have been considered and systems or procedures implemented to manage those risks whilst minimising/mitigating impacts.

The principal risks currently facing Ryhope Infant School Academy are:

- Changes to the national and local funding formulae which will impact on the school's budget. The Trust has considerable reliance on continued DfE funding through the ESFA. There is no assurance that government policy and practice will remain the same or that public funding will continue at the same levels or on the same terms. The current trend is that of a reduction in funding with increased staff costs. Trustees monitor financial performance carefully at every meeting and steps taken to ensure the continued sustainability of the Academy.
- Local Government Pension Scheme (LGPS) – The Trust is a member of the LGPS which results in the recognition of a significant deficit on the Trust's balance sheet.
- Pupil Numbers – In the last three years, the academy has seen a fall in pupil admissions to both the Nursery and Reception classes. The development of a new strategic marketing plan to increase the Academy's profile within the local community with a view to attracting additional pupils, a focused approach to transition activities and partnership working with feeder providers continues to be developed. Whilst we continue to work strategically to mitigate the risk of any potential deficits within 3-5 year budget planning, it is important to note that there is direct competition on the school site with a private provider offering day-care places for 3 and 4 year olds.
- Staff Profile – The success of the Trust is reliant on the quality of its staff. The Trustees regularly monitor and review policies and procedures to ensure all staff are supported with a rigorous CPD programme, with succession planning at the forefront.
- COVID19 – The unprecedented effects of the COVID19 pandemic has resulted in increased costs to the academy, which were not anticipated. The academy has seen the following:
 - Loss of parental income as national/local guidance restricted the number of places available in our extended services
 - Loss of admissions due to parents are keeping their children at home who would normally have enrolled in Nursery classes
 - Increase in staff costs due to an increase in staff absence, self isolation and cleaning regimes
 - Increase in costs associated with general equipment and materials where these are no longer able to be shared across the school, cleaning consumables and PPE

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The academy continues to work within the national guidelines to prioritise the health and wellbeing of all stakeholders whilst closely to monitoring any financial impacts and implementing mitigations where possible. Internal staff are being utilised to cover absence wherever possible and parents encouraged to enrol their children in Nursery classes. Costs to parents have been reduced to reflect the financial constraints of parents through a loss of their income whilst also encouraging attendance.

Fundraising

The Academy usually holds fundraising days throughout the academic year to help supports the costs of resources, educational visits and activities which every child directly benefits from whilst also supporting other national charitable events such as Comic Relief and Children in Need. Donations to all events are on a completely voluntary basis and are a legitimate means of improving the school's ability to purchase goods, equipment or services, which are not available within capital or revenue budgets. The trust does not actively pursue donations in an unreasonable or intrusive manner.

All planned fundraising events for the summer term were cancelled resulting in reduced income due to the COVID19 outbreak. This income would normally be used to support costs for resources, educational visits and other activities most of which needed to be cancelled as a result of national/regional guidance.

The Trust does not currently work with any professional fundraisers but does approach commercial partners for donations to an annual fayre. Fundraising is advertised on the Trust marketing channels along with what these funds will be spent on, in accordance with Charities Act. Monitoring of fundraising is reported by the Business Manager to the Trustees at regular intervals throughout the academic year. Any complaints received would be investigated in accordance with the school's Complaints Policy.

Plans for future periods

The school improvement priorities have been established for the 2020/2021 academic year. These priorities aim to maintain the highest of standards of achievement for all pupils and ensuring the school continues to move forward within a rapidly changing world.

Plans for the future include factors that mitigate against the risks to the Academy. The following have been put in place:

- The school has bought into the Local Authority School Improvement Partnership SLA to ensure judgements are secure and to support the school moving forward.
- The DHT/SENDCo started her role in September 2018 successfully completed her DHT induction training and is continuing her professional development within this role in accordance with the Academy's continuing professional development plan.
- We have continued to develop the provision to provide an inclusive education for the increasingly complex SEND needs. We have developed a sensory room as well as a nurture room which are both used daily to enable pupils to access a curriculum and environment suitable to their individual needs.
- An SLA has been accepted by a partner school to buy the services of the SBM for 2 days per week from July 2018-August 2021.
- We are continuing to develop links to and work collaboratively across a network of schools from the local area.
- Curriculum subject co-ordinators are in post and take responsibility for, amongst other things: the development of policies and schemes of work; the management of resources; the monitoring of teaching, learning and standards throughout the school; and to have a role advising and supporting colleagues in order to improve standards across all year groups. All staff have access to CPD to support their role as subject co-ordinators.
- Investigate the development of a 'playgroup' opportunity for parents of toddlers to access the school on a weekly basis in order to increase the take up of Nursery places in the future.
- In light of a falling pupil roll, we are developing a strategic marketing plan to increase the Academy's profile within the local community, with a view to attracting additional pupils.
- Continue to work strategically to mitigate the risk of any potential deficits within 3-5 year budget planning.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Funds held as custodian trustee on behalf of others

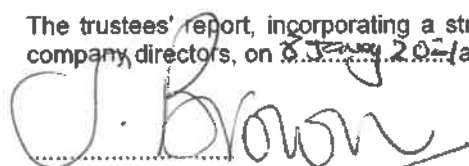
The Academy and its Trustees do not act as the Custodian Trustees of any other Charity organisation.

Auditor

Insofar as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ~~31 January 2021~~ ^{31 August 2020} and signed on its behalf by:



Mrs S Brown

Chair of Trustees

RYHOPE INFANT SCHOOL ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Ryhope Infant School 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.

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Ryhope Infant School 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 four times during the year which is a reduction from the planned seven meetings. This was in light of the unprecedented pandemic viral outbreak of COVID19, where three of the planned meetings were not able to be carried out in a formal manner due to national and local guidance/restrictions. Meetings that had previously been held in person, were held virtually but due to mitigating circumstances, out of the three meetings that were scheduled, two went ahead as informal meetings as they were not quorate and one cancelled.

Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs S Brown (Chair of Trustees)	6	6
Mrs H Hays (Vice Chair of Trustees)	6	6
Ms R Leonard	4	4
Mrs A Guthrie (Disqualified as Trustee) (Resigned 23 June 2020)	0	3
Mrs T Allen (Headteacher & Accounting Officer)	6	6
Mrs K Pinchen	2	5
Mr S R Hughes	2	2
Mr K Nicholson (Appointed 2 February 2020)	1	1
Mr D Walton-Raine (Appointed 5 March 2020)	1	1
Mrs C Gibson (Appointed 21 September 2020)	0	0

Trustees developed and agreed a Code of Practice in January 2016. This sets out the expectations on and commitment required from Trustees in order for the governing body to properly carry out its work within the school and the community.

During the period ending 31 August 2020, the Board of Trustees has seen one disqualification due to non-attendance. There were three Trustee and one Member vacancies all of which have now been successfully filled with exception to one Trustee vacancy. This position is expected to be filled in September 2020. In total, there have been two new Trustee appointments.

RYHOPE INFANT SCHOOL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Trustees recognise the importance of regular self-reviews and the next full review is scheduled for June 2021. For all new appointments, a skills audit is carried out to identify potential gaps in knowledge and Trustees encouraged to attend relevant training sessions. The skills audit carried out in June 2019 identified the Board as having a wide range of skills however, three areas were identified for further development. These were:

- Strategic Leadership - Experience of chairing a board/Local Governing Board or committee.
- Accountability - Expertise in curriculum development, school assessment and progress/attainment.
- Accountability - Experience of property and estate-management.
- Structures - Experience of reviewing governance structures.

When procuring the Academy's contracts and service level agreements, these weaknesses were taken into account. Independent SLAs were therefore bought into to close this gap. Skills are also considered when reviewing and appointing Link Trustees and committees or new Trustees/Members.

The **Resources Committee** is a sub-committee of the main board of trustees. The Committee's purpose is to ensure efficient and effective use of resources whilst seeking ways to ensure outstanding sustainable provision. The remit of the committee includes but is not limited to:

- Approve the first formal budget plan
- Regularly monitor the progress of the budget using financial information supplied by the school
- Approval of purchases as set out in the Terms of Reference
- Review of effectiveness of financial and other controls
- Review of risk management procedures and risk register

Trustees	Meetings attended	Out of possible
Mrs S Brown (Chair of Trustees)	4	4
Mrs H Hays (Vice Chair of Trustees)	4	4
Ms R Leonard	1	1
Mrs T Allen (Headteacher & Accounting Officer)	4	4
Mrs K Pinchen	1	3

Review of value for money

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

The accounting officer considers how the 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Ensuring that the Trust keeps up-to-date with all ESFA developments and constantly explores opportunities for generating additional income and applies for all appropriate grant funding available.
- Reviewing all contracts to ensure they are fit for purpose and best value for the School. Plans are in place to move certain contracts when current ones expire to save costs and improve the quality of service the Trust receives.
- Tracking and monitoring systems recording all aspects of student data including progress through school and to ensure that interventions and support are targeted to achieve Value for Money.
- Maximising the facilities in order to improving Health & Wellbeing for all learners in the school community.
- Scrutinising staff turnover to provide cost savings where appropriate.
- Actively seeking best value when procuring goods and services, using government procured contracts where appropriate.
- Benchmarking financial performance against others in the area to ensure the Trust is providing Value for Money.

RYHOPE INFANT SCHOOL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 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 Ryhope Infant School Academy for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- Regular reviews by the finance 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 board of trustees has considered the need for a specific internal audit function and have decided not to appoint an internal auditor. However, the trustees have appointed Azets Audit Services (formerly Baldwins Audit Services, the external auditor, to perform additional checks during the internal assurance inspections. In particular the checks carried out in the current period included:

- Testing of payroll functions.
- Testing of accounts and bank reconciliations
- Testing of purchasing systems
- Testing of corporate governance
- Review of monthly creditor/debtor listings
- Examination of risk register and the process for managing risk.

RYHOPE INFANT SCHOOL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

In response to the revised FRC Ethical Standard for auditors, Azets Audit Services will not be providing both external and internal audit services, subject to transitional arrangements which permit existing audit engagements at 15 March 2020 to conclude. The contract for both external and internal audit will be tendered in line with academy procurement policy for the period starting September 2020.

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

- Follow up on findings from previous reports
- Accounts and reconciliations (month end processes and controls)
- Risk management
- Purchasing and procurement
- Income
- Payroll and expenses
- Bank accounts
- Fixed assets and capital projects
- Management and security of data
- Corporate governance and regularity

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

The internal auditor has delivered their schedule of work as planned despite the COVID19 outbreak. Key findings identified during the period identified no high risk, no medium risk and 4 low risk findings. The low risk findings, recommendations and the management responses during the period were as follows:

- Monthly management accounts to be sent out to the Chair of Trustees, on a timely basis, and evidence of this is retained for an audit trail. In future the monthly management accounts will be emailed to the Chair of Trustees and shared via the Academy's SharePoint Portal.
- The business interest forms for three members / governors appear to be outdated as they are over a year old. All outstanding business interests are chased on a regular basis and reported to the Board/ Committee at the next meeting.
- The academy should consider storing redacted information in order to back up the figures contained within the census submitted to the ESFA. This information was available onsite but because of COVID guidance/restrictions, it was not deemed safe to have the auditor onsite during the Summer inspection.
- The website should be updated to include: up to date attendance records; the remit and scheme of delegation of committees; and who appointed the trustees. This information has been updated and measures are in place to ensure this is reported and published on a more regular basis.

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 internal assurance inspections
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

RYHOPE INFANT SCHOOL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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

Approved by order of the board of trustees on 25~~July~~ 2021 and signed on its behalf by:


Mrs S Brown
Chair of Trustees


Mrs T Allen
Headteacher & Accounting Officer

RYHOPE INFANT SCHOOL ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Ryhope Infant School Academy, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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

Mrs T Allen
Accounting Officer



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8 January 2021

RYHOPE INFANT SCHOOL ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Ryhope Infant School Academy for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

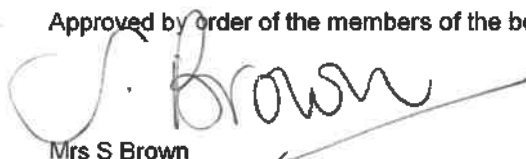
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 8 February 2021 and signed on its behalf by:



Mrs S Brown
Chair of Trustees

RYHOPE INFANT SCHOOL ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RYHOPE INFANT SCHOOL ACADEMY

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Ryhope Infant School Academy for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other Information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

RYHOPE INFANT SCHOOL ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RYHOPE INFANT SCHOOL ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

RYHOPE INFANT SCHOOL ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RYHOPE INFANT SCHOOL ACADEMY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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



Ian Whitfield BA FCA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

Statutory Auditor

21 January 2021

Wynyard Park House
Wynyard Avenue
Wynyard
Billingham
TS22 5TB

RYHOPE INFANT SCHOOL ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RYHOPE INFANT SCHOOL ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 18 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Ryhope Infant School Academy during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Ryhope Infant School Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Ryhope Infant School Academy's funding agreement with the Secretary of State for Education 1 September 2014 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

RYHOPE INFANT SCHOOL ACADEMY

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO RYHOPE INFANT SCHOOL ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

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 period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
Azets Audit Services

Dated: 21 January 2021

RYHOPE INFANT SCHOOL ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	-	-	6,203	6,203	16,215
Charitable activities:						
- Funding for educational operations	4	2,206	1,139,528	-	1,141,734	1,075,017
Other trading activities	5	45,371	-	-	45,371	51,237
Investments	6	216	-	-	216	245
Total		47,793	1,139,528	6,203	1,193,524	1,142,714
Expenditure on:						
Raising funds	7	34,753	-	-	34,753	34,404
Charitable activities:						
- Educational operations	8	10,930	1,142,240	62,335	1,215,505	1,190,627
Total	7	45,683	1,142,240	62,335	1,250,258	1,225,031
Net income/(expenditure)		2,110	(2,712)	(56,132)	(56,734)	(82,317)
Transfers between funds	16	-	(1,501)	1,501	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	18	-	(163,000)	-	(163,000)	(261,000)
Net movement in funds		2,110	(167,213)	(54,631)	(219,734)	(343,317)
Reconciliation of funds						
Total funds brought forward		233,247	(546,938)	1,948,458	1,634,767	1,978,084
Total funds carried forward		235,357	(714,151)	1,893,827	1,415,033	1,634,767

RYHOPE INFANT SCHOOL ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted funds £	Restricted funds: General Fixed asset		Total 2019 £
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	-	-	16,215	16,215
Charitable activities:					
- Funding for educational operations	4	1,616	1,073,401	-	1,075,017
Other trading activities	5	51,237	-	-	51,237
Investments	6	245	-	-	245
Total		<u>53,098</u>	<u>1,073,401</u>	<u>16,215</u>	<u>1,142,714</u>
Expenditure on:					
Raising funds	7	34,404	-	-	34,404
Charitable activities:					
- Educational operations	8	13,649	1,122,258	54,720	1,190,627
Total	7	<u>48,053</u>	<u>1,122,258</u>	<u>54,720</u>	<u>1,225,031</u>
Net income/(expenditure)		5,045	(48,857)	(38,505)	(82,317)
Transfers between funds	16	-	(21,288)	21,288	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	18	-	(261,000)	-	(261,000)
Net movement in funds		5,045	(331,145)	(17,217)	(343,317)
Reconciliation of funds					
Total funds brought forward		228,202	(215,793)	1,965,675	1,978,084
Total funds carried forward		<u>233,247</u>	<u>(546,938)</u>	<u>1,948,458</u>	<u>1,634,767</u>


RYHOPE INFANT SCHOOL ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	12		1,893,827		1,948,458
Current assets					
Debtors	13	48,308		42,801	
Cash at bank and in hand		533,496		486,061	
		<u>581,804</u>		<u>528,862</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(139,598)		(142,553)	
Net current assets			<u>442,206</u>		<u>386,309</u>
Net assets excluding pension liability			<u>2,336,033</u>		<u>2,334,767</u>
Defined benefit pension scheme liability	18		(921,000)		(700,000)
Total net assets			<u>1,415,033</u>		<u>1,634,767</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			1,893,827		1,948,458
- Restricted income funds			206,849		153,062
- Pension reserve			(921,000)		(700,000)
Total restricted funds			<u>1,179,676</u>		<u>1,401,520</u>
Unrestricted income funds	16		<u>235,357</u>		<u>233,247</u>
Total funds			<u>1,415,033</u>		<u>1,634,767</u>

The accounts set out on pages 23 to 45 were approved by the board of trustees and authorised for issue on ~~8 July 2021~~ 8 July 2021 and are signed on its behalf by:



 Mrs S Brown
 Chair of Trustees

Company Number 09161532

RYHOPE INFANT SCHOOL ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Net cash provided by operating activities	19		48,720		41,363
Cash flows from investing activities					
Dividends, interest and rents from investments		216		245	
Capital grants from DfE Group		6,203		16,215	
Purchase of tangible fixed assets		(7,704)		(37,503)	
Net cash used in investing activities			(1,285)		(21,043)
Net increase in cash and cash equivalents in the reporting period			47,435		20,320
Cash and cash equivalents at beginning of the year			486,061		465,741
Cash and cash equivalents at end of the year			533,496		486,061

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

1.1 Basis of preparation

The accounts 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts 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 accounts.

The increase in the reported share of the LGPS deficit in the year has had a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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.

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

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 are 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.

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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 on a straight-line basis over its expected useful life, as follows:

Buildings	2%
Leasehold improvements	2%
Computer equipment	33% - 50%
Fixtures, fittings and equipment	25%

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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

1.6 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.

1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.9 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.

1.10 Pensions 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are 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 net income or expenditure 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.

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

Accounting 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.

McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. Following developments in employment tribunals and other public service schemes, and subsequently the consultation on the proposed remedy for the LGPS on 16 July 2020, actuaries have assumed a remedy that an underpin would apply to all those in the scheme on 1 April 2012, will not apply on withdrawal and will apply to spouse's pensions. These assumptions have been reflected in the valuation, with the overall impact dependent on the profile of each employer.

GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. Allowance has been made in the valuation for members whose state pension age is on or after 6 April 2016.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Capital grants	-	6,203	6,203	16,215

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	813,589	813,589	812,246
Other DfE group grants	-	176,795	176,795	163,971
	-	990,384	990,384	976,217
Other government grants				
Local authority grants	-	149,144	149,144	97,184
Other funding				
Catering income	2,206	-	2,206	1,616
Total funding	2,206	1,139,528	1,141,734	1,075,017

Other DfE group grants includes the following:

	2020 £	2019 £
Pupil premium	77,813	86,455
Universal infants free school meals	45,885	53,314
PE and sports grant	17,220	17,170
Baseline grant	200	-
Teachers pay grant	9,326	7,032
Teachers pension grant	26,351	-
	176,795	163,971

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Fundraising	2,907	-	2,907	6,256
Catering income	67	-	67	34
Uniforms	307	-	307	1,227
Educational visits	568	-	568	1,363
Breakfast and after school clubs	16,521	-	16,521	17,715
Other income	25,001	-	25,001	24,642
	45,371	-	45,371	51,237

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

6	Investment income		Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £	
	Short term deposits		216	-	216	245	
7	Expenditure		Staff costs £	Non-pay expenditure Premises £	Other £	Total 2020 £	Total 2019 £
	Expenditure on raising funds						
		- Direct costs	26,589	-	8,164	34,753	34,404
	Academy's educational operations						
		- Direct costs	633,596	-	65,312	698,908	696,303
		- Allocated support costs	255,177	136,805	124,615	516,597	494,324
			<u>915,362</u>	<u>136,805</u>	<u>198,091</u>	<u>1,250,258</u>	<u>1,225,031</u>
	Net income/(expenditure) for the year includes:				2020 £	2019 £	
	Fees payable to auditor for:						
		- Audit			6,900	6,800	
		- Other services			5,100	5,000	
	Operating lease rentals				1,332	1,440	
	Depreciation of tangible fixed assets				62,335	54,720	
	Net interest on defined benefit pension liability				12,000	9,000	
8	Charitable activities		Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £	
	Direct costs						
	Educational operations		-	698,908	698,908	696,303	
	Support costs						
	Educational operations		10,930	505,667	516,597	494,324	
			<u>10,930</u>	<u>1,204,575</u>	<u>1,215,505</u>	<u>1,190,627</u>	

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities	(Continued)	
	2020	2019
	£	£
Analysis of support costs		
Support staff costs	255,177	257,776
Depreciation	62,335	54,720
Premises costs	74,470	53,622
Legal costs	300	121
Other support costs	105,451	108,772
Governance costs	18,864	19,313
	<u>516,597</u>	<u>494,324</u>

9 Staff		
Staff costs		
Staff costs during the year were:		
	2020	2019
	£	£
Wages and salaries	652,979	673,251
Social security costs	51,813	55,137
Pension costs	186,530	182,498
	<u>891,322</u>	<u>910,886</u>
Staff costs - employees	891,322	910,886
Agency staff costs	24,040	7,650
	<u>915,362</u>	<u>918,536</u>
Staff development and other staff costs	4,598	4,768
	<u>919,960</u>	<u>923,304</u>

Staff numbers

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

	2020	2019
	Number	Number
Teachers	18	18
Administration and support	13	12
Management	3	3
	<u>34</u>	<u>33</u>

Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 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 £169,599 (2019: £171,181).

10 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The head teacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

T Allen (Head teacher and trustee):

Remuneration	£50,001 - £55,000 (2019: £20,001 - £25,000)
Employer's pension contributions	£Nil (2019: £Nil)

S Reed (Former Head teacher and trustee):

Remuneration	£Nil (2019: £35,001 - £40,000)
Employer's pension contributions	£Nil (2019: £5,001 - £10,000)

11 Insurance for trustees and officers

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any claim and the cost for the year ended 31 August 2020 was included in the Risk Protection Arrangement.

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

	Buildings	Leasehold improvements	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2019	1,959,000	158,734	76,074	8,662	2,202,470
Additions	-	-	7,704	-	7,704
At 31 August 2020	1,959,000	158,734	83,778	8,662	2,210,174
Depreciation					
At 1 September 2019	190,300	12,698	44,773	6,241	254,012
Charge for the year	38,060	3,175	20,442	658	62,335
At 31 August 2020	228,360	15,873	65,215	6,899	316,347
Net book value					
At 31 August 2020	1,730,640	142,861	18,563	1,763	1,893,827
At 31 August 2019	1,768,700	146,036	31,301	2,421	1,948,458

Leasehold land and buildings were valued on a depreciated replacement cost basis as at 31 March 2015 by Mouchel on behalf of the Education Funding Agency.

13 Debtors

	2020	2019
	£	£
Trade debtors	1,663	2,261
VAT recoverable	17,055	12,227
Prepayments and accrued income	29,590	28,313
	48,308	42,801

14 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	59,692	61,906
Other taxation and social security	12,336	13,772
Other creditors	13,535	13,439
Accruals and deferred income	54,035	53,436
	139,598	142,553

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Deferred income

	2020 £	2019 £
Deferred Income is included within:		
Creditors due within one year	30,788	34,599
Deferred income at 1 September 2019	34,599	34,141
Released from previous years	(34,599)	(34,141)
Resources deferred in the year	30,788	34,599
Deferred income at 31 August 2020	30,788	34,599

Deferred income includes Universal Infants' Free School Meals and rates funding for the following academic year.

16 Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	153,062	813,589	(758,301)	(1,501)	206,849
Other DfE / ESFA grants	-	176,795	(176,795)	-	-
Other government grants	-	149,144	(149,144)	-	-
Pension reserve	(700,000)	-	(58,000)	(163,000)	(921,000)
	<u>(546,938)</u>	<u>1,139,528</u>	<u>(1,142,240)</u>	<u>(164,501)</u>	<u>(714,151)</u>
Restricted fixed asset funds					
Inherited on conversion	1,767,582	-	(38,060)	-	1,729,522
DfE group capital grants	17,016	6,203	(10,693)	-	12,526
Capital expenditure from GAG	163,860	-	(13,582)	1,501	151,779
	<u>1,948,458</u>	<u>6,203</u>	<u>(62,335)</u>	<u>1,501</u>	<u>1,893,827</u>
Total restricted funds	<u>1,401,520</u>	<u>1,145,731</u>	<u>(1,204,575)</u>	<u>(163,000)</u>	<u>1,179,676</u>
Unrestricted funds					
General funds	233,247	47,793	(45,683)	-	235,357
Total funds	<u>1,634,767</u>	<u>1,193,524</u>	<u>(1,250,258)</u>	<u>(163,000)</u>	<u>1,415,033</u>

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Other DfE/ESFA grants includes sports and PE grant, teachers' pay grant, reception baseline grant, teachers' pension grant, free school meals grant and pupil premium.

Other government grants include early years funding, funding received for pupils with special educational needs and other income from the local authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants represent Devolved Formula Capital receivable during the period, which has been spent on ICT equipment.

The Inherited Fixed Asset Fund reflects the assets acquired on conversion. Depreciation on these assets is charged against this fund.

Capital expenditure has, in previous years, also been funded by GAG. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds can be used for any purpose, at the discretion of the trustees, within the objectives of the academy trust.

The academy's restricted general and unrestricted funds were £442,206 at 31 August 2020.

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds (Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	165,207	812,246	(803,103)	(21,288)	153,062
Other DfE / ESFA grants	-	163,971	(163,971)	-	-
Other government grants	-	97,184	(97,184)	-	-
Pension reserve	(381,000)	-	(58,000)	(261,000)	(700,000)
	<u>(215,793)</u>	<u>1,073,401</u>	<u>(1,122,258)</u>	<u>(282,288)</u>	<u>(546,938)</u>
Restricted fixed asset funds					
Transfer on conversion	1,805,642	-	(38,060)	-	1,767,582
DfE group capital grants	8,019	16,215	(7,218)	-	17,016
Capital expenditure from GAG	152,014	-	(9,442)	21,288	163,860
	<u>1,965,675</u>	<u>16,215</u>	<u>(54,720)</u>	<u>21,288</u>	<u>1,948,458</u>
Total restricted funds	<u>1,749,882</u>	<u>1,089,616</u>	<u>(1,176,978)</u>	<u>(261,000)</u>	<u>1,401,520</u>
Unrestricted funds					
General funds	228,202	53,098	(48,053)	-	233,247
	<u>228,202</u>	<u>53,098</u>	<u>(48,053)</u>	<u>-</u>	<u>233,247</u>
Total funds	<u>1,978,084</u>	<u>1,142,714</u>	<u>(1,225,031)</u>	<u>(261,000)</u>	<u>1,634,767</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	1,893,827	1,893,827
Current assets	236,465	345,339	-	581,804
Creditors falling due within one year	(1,108)	(138,490)	-	(139,598)
Defined benefit pension liability	-	(921,000)	-	(921,000)
Total net assets	<u>235,357</u>	<u>(714,151)</u>	<u>1,893,827</u>	<u>1,415,033</u>

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	1,948,458	1,948,458
Current assets	246,594	282,268	-	528,862
Creditors falling due within one year	(13,347)	(129,206)	-	(142,553)
Defined benefit pension liability	-	(700,000)	-	(700,000)
Total net assets	233,247	(546,938)	1,948,458	1,634,767

18 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 Tyneside Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £12,963 (2019: £13,783) were payable to the schemes at 31 August 2020 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 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 a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to the TPS in the period amounted to £72,473 (2019: £64,477).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.2% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £49,000 (2019: £80,000).

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.

Total contributions made	2020	2019
	£	£
Employer's contributions	62,000	70,000
Employees' contributions	14,000	14,000
	<u>76,000</u>	<u>84,000</u>
Total contributions	76,000	84,000
	<u><u>76,000</u></u>	<u><u>84,000</u></u>
Principal actuarial assumptions	2020	2019
	%	%
Rate of increase in salaries	3.8	3.6
Rate of increase for pensions in payment/inflation	2.3	2.1
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.3	2.1
	<u><u>2.3</u></u>	<u><u>2.1</u></u>

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

(Continued)

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

	2020 Years	2019 Years
Retiring today		
- Males	21.8	21.9
- Females	25.0	25.1
Retiring in 20 years		
- Males	23.5	23.6
- Females	26.8	26.9

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020 £	2019 £
Discount rate + 0.1%	2,490,000	2,291,000
Discount rate - 0.1%	2,599,000	2,381,000
Mortality assumption + 1 year	2,451,000	2,257,000
Mortality assumption - 1 year	2,635,000	2,416,000
CPI rate + 0.1%	2,589,000	2,363,000
CPI rate - 0.1%	2,500,000	2,309,000

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

	2020 Fair value £	2019 Fair value £
Equities	868,000	1,071,580
Government bonds	39,000	67,076
Corporate bonds	371,000	186,504
Cash	31,000	34,356
Property	149,000	140,696
Other assets	164,000	135,788
Total market value of assets	1,622,000	1,636,000

The actual return on scheme assets was £24,000 (2019: £161,000).

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations		(Continued)	
Amount recognised in the Statement of Financial Activities	2020	2019	
	£	£	
Current service cost	108,000	83,000	
Past service cost	-	36,000	
Interest income	(29,000)	(42,000)	
Interest cost	41,000	51,000	
	<u>120,000</u>	<u>128,000</u>	
Changes in the present value of defined benefit obligations	2020	2019	
	£	£	
At 1 September 2019	2,336,000	1,883,000	
Current service cost	108,000	83,000	
Interest cost	41,000	51,000	
Employee contributions	14,000	14,000	
Actuarial loss	158,000	380,000	
Benefits paid	(114,000)	(111,000)	
Past service cost	-	36,000	
	<u>2,543,000</u>	<u>2,336,000</u>	
At 31 August 2020	2,543,000	2,336,000	
Changes in the fair value of the academy trust's share of scheme assets	2020	2019	
	£	£	
At 1 September 2019	1,636,000	1,502,000	
Interest income	29,000	42,000	
Actuarial loss/(gain)	(5,000)	119,000	
Employer contributions	62,000	70,000	
Employee contributions	14,000	14,000	
Benefits paid	(114,000)	(111,000)	
	<u>1,622,000</u>	<u>1,636,000</u>	
At 31 August 2020	1,622,000	1,636,000	

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the reporting period (as per the statement of financial activities)	(56,734)	(82,317)
Adjusted for:		
Capital grants from DfE and other capital income	(6,203)	(16,215)
Investment income receivable	(216)	(245)
Defined benefit pension costs less contributions payable	46,000	49,000
Defined benefit pension scheme finance cost	12,000	9,000
Depreciation of tangible fixed assets	62,335	54,720
(Increase) in debtors	(5,507)	(3,302)
(Decrease)/increase in creditors	(2,955)	30,722
Net cash provided by operating activities	<u>48,720</u>	<u>41,363</u>

20 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	486,061	47,435	533,496
	<u>486,061</u>	<u>47,435</u>	<u>533,496</u>

21 Commitments under operating leases

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

	2020 £	2019 £
Amounts due within one year	3,546	693
Amounts due in two and five years	13,299	-
	<u>16,845</u>	<u>693</u>

22 Related party transactions

Owing to the nature of the academy trust'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 the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

