

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 2019**

RYHOPE INFANT SCHOOL ACADEMY

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 9
Governance statement	10 - 13
Statement on regularity, propriety and compliance	14
Statement of trustees' responsibilities	15
Independent auditor's report on the accounts	16 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities including income and expenditure account	21 - 22
Balance sheet	23
Statement of cash flows	24
Notes to the accounts including accounting policies	25 - 43

RYHOPE INFANT SCHOOL ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mrs S Brown (Chair of Trustees) Miss S Reed (Accounting officer) (Resigned 21 April 2019) Mr C Davidge (Resigned 21 May 2019) Mrs H Hays Ms R Leonard Ms A Guthrie Mrs T Allen (Headteacher & Accounting Officer) (Appointed 22 April 2019) Mrs K Pinchen (Appointed 5 October 2018) Mr S R Hughes (Appointed 5 October 2018)
Members	Mrs S Brown Mrs J Belshaw Mrs A Collingwood (Appointed 5 December 2017) Ms R Leonard Mrs A Guthrie Mrs H Guthrie (Appointed 5 December 2017)
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	Baldwins Audit Services Wynyard Park House Wynyard Avenue Wynyard 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 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st August 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 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 16th May 2019 there were 179 primary age children on roll with 35 nursery children, of which 6 were full time and 29 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 1.

Members' liability

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

Trustees' indemnities

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 2019

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. The Trust is a member of the Sunderland Governors Association which also provides training and development programmes.

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 2019

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 following section.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

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

Leadership & Management

- To ensure that all leaders further raise their expectations and sharpen their monitoring across the school to ensure that all pupils make strong and sustained progress.
- To ensure that an effective marketing strategy is in place to increase future pupil numbers.
- 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.
- To plan and implement effective CPD for all staff.
- Family Liaison Officer and Safeguard lead will identify pupils who may need early help and support them and their family in achieving this.

The quality of education

- Review the curriculum to develop the same depth of learning in all subjects.
- To ensure that all curriculum leaders further raise their expectations and sharpen their monitoring to ensure that all pupils make strong and sustained progress.
- To strengthen the quality of teaching and outcomes for all pupils.
- To accelerate the progress made by boys and disadvantaged pupils, so that gaps in the attainment of different groups of pupils close/narrow for each cohort compared to 2018/19.
- To increase the number of pupils achieving the pass mark in phonics.
- To increase the number of pupils achieving a GLD to be at least in line with national.
- To increase the number of pupils exceeding in Reception.

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.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key performance indicators

The Academy has continued to attain high standards by the end of KS1 and is at or above national figures overall for both KS1 and Phonics, demonstrating the progress pupils have made from their starting points.

Early Years Foundation Stage - 2019

Pupils achieving a good level of development

School	National
69.1%	72%

Year 1 Phonics Screen 2019 Results

School	National
66.7%	82%

Key Stage 1 2019 Results

	Expected Standard		Greater Depth	
	School	National	School	National
Reading	76.1%	75%	26.9%	25%
Writing	74.5%	69%	20.6%	15%
Mathematics	84.1%	76%	28.6%	22%

Overall attendance is 95.2% for the 2018/19 academic year. This has fallen slightly since 2017/18 (95.6%) Persistent absence has increased from 14.35% 17/18 to 15.6% 18/19.

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 2019

Financial review

Most of the Academy's income is received from 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 2019 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 2019 expenditure amounting to £1,225,031 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 2019 the net book value of fixed assets was £1,948,458. 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 2019 of £5,045 on unrestricted funds and a loss of £(12,145) on restricted general funds, before adjusting for the Local Government Pension Scheme. Fund balances held at 31st August 2019 were £1,634,767, comprising restricted reserves of £(546,938) and unrestricted reserves of £233,247 and fixed asset reserves of £1,948,458.

Total income excluding the donated assets in the period was £1,142,714 of which £978,364 came from the ESFA revenue grants and £95,037 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 £180k 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.

At the period ending 31st August 2019, the Academy currently has a net surplus of £386,309 excluding pension reserves, comprising restricted reserves of £153,062 and unrestricted (Free) reserves of £233,247. The reserves policy will be reviewed annually.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 £140k 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 2019.

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 – A focused approach to transition activities and partnership working with feeder providers continues to be developed along with marketing strategies. There is direct competition on the school site with a private provider offering day-care places for 3 and 4 year olds. The Trust's marketing strategies ensure the increased visibility of the school throughout the local community.
- 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.

Fundraising

The Academy holds fundraising days throughout the academic year to help support 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.

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.

RYHOPE INFANT SCHOOL ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

The new Headteacher has been in post since 22/04/2019 and school improvement priorities established for the 2019/2020 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. She is attending the DHT induction CPD - September 2019 to July 2020 and is attending a 2 day residential in February.
- We are developing the provision to provide an inclusive education for the increasingly complex SEND needs. We are developing 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-September 2020.
- New HT has developed links to work collaboratively across a network of schools which, from September 2019, will include the attached feeder Junior school as well as 4 other Primary schools from the local area.
- Subject co-ordinators have been appointed to 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 will 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.
- The school continues to be aware of a number of proposed housing developments near to the Academy which may increase our pupil numbers and the PAN was adjusted from 60 to 65 accordingly in 2016.

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.

A resolution proposing the Baldwins Audit Services be re-appointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 03 December 2019 and signed on its behalf by:



Mrs S Brown
Chair of Trustees

RYHOPE INFANT SCHOOL ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

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.

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 8 times during the year. 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)	8	8
Miss S Reed (Accounting officer) (Resigned 21 April 2019)	3	5
Mr C Davidge (Resigned 21 May 2019)	2	6
Mrs H Hays	7	8
Ms R Leonard	5	6
Ms A Guthrie	4	6
Mrs T Allen (Headteacher & Accounting Officer) (Appointed 22 April 2019)	1	1
Mrs K Pinchen (Appointed 5 October 2018)	4	6
Mr S R Hughes (Appointed 5 October 2018)	6	6
Mrs J Belshaw	1	1
Mrs A E Collingwood	1	1
Mrs H Guthrie	1	1

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.

Trustees recognised the importance of regular self-reviews and have the next review scheduled for June 2021. A skills audit was carried out in June 2019 where a wide range of skills were identified within the existing governing body. Four 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.

RYHOPE INFANT SCHOOL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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)	2	2
Miss S Reed (Accounting officer) (Resigned 21 April 2019)	2	2
Mr C Davidge (Resigned 21 May 2019)	1	1
Mrs H Hays	1	2
Mrs T Allen (Headteacher & Accounting Officer) (Appointed 22 April 2019)	0	0

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.

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 2018 to 31st August 2019 and up to the date of approval of the annual report and financial statements.

RYHOPE INFANT SCHOOL ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 31st August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 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.

On a termly basis, the internal assurance officer reports to the board of trustees, through the **Resources Committee**, on the operation of the systems control and on the discharge of the board of trustees' financial responsibilities.

The trustees confirm that the internal assurance reviews have fully delivered with the ESFA requirements and that there have been no material control issues arising as a result of any internal assurance work during the year.

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
- the work of the Senior Leadership Team 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 2019

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 03 December 2019 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 2019

As accounting officer of Ryhope Infant School Academy I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 2018.

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



Mrs T Allen
Accounting Officer

03 December 2019

RYHOPE INFANT SCHOOL ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 03 December 2019 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

Opinion

We have audited the accounts of Ryhope Infant School Academy for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

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)

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 have 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 financial statements

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)

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 **Baldwins Audit Services**

Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

RYHOPE INFANT SCHOOL ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 1 October 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

RYHOPE INFANT SCHOOL ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2019

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



Reporting Accountant
Baldwins Audit Services

Dated: 03 December 2019

RYHOPE INFANT SCHOOL ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	-	-	16,215	16,215	6,396
Charitable activities:						
- Funding for educational operations	4	1,616	1,073,401	-	1,075,017	1,127,231
Other trading activities	5	51,237	-	-	51,237	51,509
Investments	6	245	-	-	245	230
Total		<u>53,098</u>	<u>1,073,401</u>	<u>16,215</u>	<u>1,142,714</u>	<u>1,185,366</u>
Expenditure on:						
Raising funds	7	34,404	-	-	34,404	42,338
Charitable activities:						
- Educational operations	8	13,649	1,122,258	54,720	1,190,627	1,150,014
Total	7	<u>48,053</u>	<u>1,122,258</u>	<u>54,720</u>	<u>1,225,031</u>	<u>1,192,352</u>
Net income/(expenditure)		5,045	(48,857)	(38,505)	(82,317)	(6,986)
Transfers between funds	16	-	(21,288)	21,288	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(261,000)	-	(261,000)	173,000
Net movement in funds		5,045	(331,145)	(17,217)	(343,317)	166,014
Reconciliation of funds						
Total funds brought forward		228,202	(215,793)	1,965,675	1,978,084	1,812,070
Total funds carried forward		<u>233,247</u>	<u>(546,938)</u>	<u>1,948,458</u>	<u>1,634,767</u>	<u>1,978,084</u>

RYHOPE INFANT SCHOOL ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £
Income and endowments from:					
Donations and capital grants	3	-	-	6,396	6,396
Charitable activities:					
- Funding for educational operations	4	3,832	1,123,399	-	1,127,231
Other trading activities	5	51,509	-	-	51,509
Investments	6	230	-	-	230
Total		<u>55,571</u>	<u>1,123,399</u>	<u>6,396</u>	<u>1,185,366</u>
Expenditure on:					
Raising funds	7	42,338	-	-	42,338
Charitable activities:					
- Educational operations	8	12,758	1,092,071	45,185	1,150,014
Total	7	<u>55,096</u>	<u>1,092,071</u>	<u>45,185</u>	<u>1,192,352</u>
Net income/(expenditure)		475	31,328	(38,789)	(6,986)
Transfers between funds	16	-	2,955	(2,955)	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	18	-	173,000	-	173,000
Net movement in funds		475	207,283	(41,744)	166,014
Reconciliation of funds					
Total funds brought forward		<u>227,727</u>	<u>(423,076)</u>	<u>2,007,419</u>	<u>1,812,070</u>
Total funds carried forward		<u>228,202</u>	<u>(215,793)</u>	<u>1,965,675</u>	<u>1,978,084</u>


RYHOPE INFANT SCHOOL ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	12		1,948,458		1,965,675
Current assets					
Debtors	13	42,801		39,499	
Cash at bank and in hand		486,061		465,741	
			528,862		505,240
Current liabilities					
Creditors: amounts falling due within one year	14	(142,553)		(111,831)	
Net current assets			386,309		393,409
Net assets excluding pension liability			2,334,767		2,359,084
Defined benefit pension scheme liability	18		(700,000)		(381,000)
Total net assets			1,634,767		1,978,084
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			1,948,458		1,965,675
- Restricted income funds			153,062		165,207
- Pension reserve			(700,000)		(381,000)
Total restricted funds			1,401,520		1,749,882
Unrestricted income funds	16		233,247		228,202
Total funds			1,634,767		1,978,084

The accounts set out on pages 21 to 43 were approved by the board of trustees and authorised for issue on 03 December 2019 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 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by operating activities	19		41,363		68,767
Cash flows from investing activities					
Dividends, interest and rents from investments		245		230	
Capital grants from DfE Group		16,215		6,396	
Purchase of tangible fixed assets		(37,503)		(9,801)	
Net cash used in investing activities			<u>(21,043)</u>		<u>(3,175)</u>
Net increase in cash and cash equivalents in the reporting period			20,320		65,592
Cash and cash equivalents at beginning of the year			<u>465,741</u>		<u>400,149</u>
Cash and cash equivalents at end of the year			<u><u>486,061</u></u>		<u><u>465,741</u></u>

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Ryhope Infant School Academy meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, 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 2019

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 2019

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 2019

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 so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 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 2019

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. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £34,000 as at 31 August 2019.

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. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. Although there is some judgement in how this equalisation works and is reflected in the LGPS valuations, actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities and they have included an approximate calculation of the GMP valuation. This has increased the LGPS liability by £2,000 as at 31 August 2019.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	16,215	16,215	6,396

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	812,246	812,246	824,997
Other DfE group grants	-	166,118	166,118	162,878
	-	978,364	978,364	987,875
Other government grants				
Local authority grants	-	95,037	95,037	135,524
Other funding				
Catering income	1,616	-	1,616	3,832
Total funding	1,616	1,073,401	1,075,017	1,127,231

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Fundraising	6,256	-	6,256	7,094
Catering income	34	-	34	11
Uniforms	1,227	-	1,227	4,421
Educational visits	1,363	-	1,363	1,880
Breakfast and after school clubs	17,715	-	17,715	26,297
Other income	24,642	-	24,642	11,806
	51,237	-	51,237	51,509

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	245	-	245	230

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £	Non Pay Expenditure		Total 2019 £	Total 2018 £
		Premises £	Other £		
Expenditure on raising funds					
- Direct costs	21,924	-	12,480	34,404	42,338
Academy's educational operations					
- Direct costs	638,836	-	57,467	696,303	674,095
- Allocated support costs	257,776	108,342	128,206	494,324	475,919
	<u>918,536</u>	<u>108,342</u>	<u>198,153</u>	<u>1,225,031</u>	<u>1,192,352</u>
Net income/(expenditure) for the year includes:				2019	2018
				£	£
Fees payable to auditor for:					
- Audit				6,800	6,000
- Other services				5,000	5,800
Operating lease rentals				1,440	1,080
Depreciation of tangible fixed assets				54,720	45,185
Net interest on defined benefit pension liability				9,000	12,000
				<u>9,000</u>	<u>12,000</u>

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs - educational operations	550	695,753	696,303	674,095
Support costs - educational operations	13,099	481,225	494,324	475,919
	<u>13,649</u>	<u>1,176,978</u>	<u>1,190,627</u>	<u>1,150,014</u>
			2019 £	2018 £
Analysis of support costs				
Support staff costs			257,776	251,765
Depreciation and amortisation			54,720	45,185
Premises costs			47,553	47,950
Other support costs			106,317	108,049
Governance costs			27,958	22,970
			<u>494,324</u>	<u>475,919</u>

9 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	673,251	680,450
Social security costs	55,137	55,711
Pension costs	182,498	167,135
Amounts paid to employees	910,886	903,296
Agency staff costs	7,650	-
Amounts paid to staff	918,536	903,296
Staff development and other staff costs	4,768	2,502
Total staff expenditure	<u>923,304</u>	<u>905,798</u>

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

(Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	18	19
Administration and support	12	16
Management	3	1
	<hr/>	<hr/>
	33	36
	<hr/>	<hr/>

Higher paid staff

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

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 £171,181 (2018: £149,027).

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:

S Reed (Head teacher and trustee):	
Remuneration	£35,001 - £40,000 (2018: £55,001 - £60,000)
Employer's pension contributions	£5,001 - £10,000 (2018: £5,001 - £10,000)
J Wardle (Staff trustee):	
Remuneration	£nil (2018: £15,001 - £20,000)
Employer's pension contributions	£nil (2018: £1 - £5,000)

11 Trustees and officers insurance

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 one claim and the cost for the year ended 31 August 2018 was included in the Risk Protection Arrangement.

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Tangible fixed assets

	Buildings	Leasehold improvements	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2018	1,959,000	158,734	39,791	7,442	2,164,967
Additions	-	-	36,283	1,220	37,503
At 31 August 2019	1,959,000	158,734	76,074	8,662	2,202,470
Depreciation					
At 1 September 2018	152,240	9,524	32,780	4,748	199,292
Charge for the year	38,060	3,174	11,993	1,493	54,720
At 31 August 2019	190,300	12,698	44,773	6,241	254,012
Net book value					
At 31 August 2019	1,768,700	146,036	31,301	2,421	1,948,458
At 31 August 2018	1,806,760	149,210	7,011	2,694	1,965,675

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

	2019 £	2018 £
Trade debtors	2,261	4,221
VAT recoverable	12,227	5,391
Prepayments and accrued income	28,313	29,887
	42,801	39,499

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	61,906	13,821
Other taxation and social security	13,772	12,826
Other creditors	13,439	16,068
Accruals and deferred income	53,436	69,116
	142,553	111,831

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Deferred income	2019 £	2018 £
Deferred income is included within:		
Creditors due within one year	34,599	34,141
Deferred income at 1 September 2018	34,141	34,088
Released from previous years	(34,141)	(34,088)
Amounts deferred in the year	34,599	34,141
Deferred income at 31 August 2019	34,599	34,141

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

16 Funds	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant	165,207	812,246	(803,103)	(21,288)	153,062
Other DfE / ESFA grants	-	166,118	(166,118)	-	-
Other government grants	-	95,037	(95,037)	-	-
Funds excluding pensions	165,207	1,073,401	(1,064,258)	(21,288)	153,062
Pension reserve	(381,000)	-	(58,000)	(261,000)	(700,000)
	(215,793)	1,073,401	(1,122,258)	(282,288)	(546,938)
Restricted fixed asset funds					
Transferred on conversion	1,805,642	-	(38,060)	-	1,767,582
DfE / ESFA capital grants	8,019	16,215	(7,218)	-	17,016
Capital expenditure from GAG	152,014	-	(9,442)	21,288	163,860
	1,965,675	16,215	(54,720)	21,288	1,948,458
Total restricted funds	1,749,882	1,089,616	(1,176,978)	(261,000)	1,401,520
Unrestricted funds					
General funds	228,202	53,098	(48,053)	-	233,247
Total funds	1,978,084	1,142,714	(1,225,031)	(261,000)	1,634,767

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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 2019.

Other DfE/ESFA grants includes sports and PE grant, free school meals grant and pupil premium.

Other government grants include early years funding 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 and non capitalised PE 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 £386,309 at 31 August 2019.

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

16 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant	93,924	824,997	(756,669)	2,955	165,207
Other DfE / ESFA grants	-	162,878	(162,878)	-	-
Other government grants	-	135,524	(135,524)	-	-
	<u>93,924</u>	<u>1,123,399</u>	<u>(1,055,071)</u>	<u>2,955</u>	<u>165,207</u>
Funds excluding pensions	93,924	1,123,399	(1,055,071)	2,955	165,207
Pension reserve	(517,000)	-	(37,000)	173,000	(381,000)
	<u>(423,076)</u>	<u>1,123,399</u>	<u>(1,092,071)</u>	<u>175,955</u>	<u>(215,793)</u>
Restricted fixed asset funds					
Transferred on conversion	1,843,702	-	(38,060)	-	1,805,642
DfE / ESFA capital grants	6,360	6,396	(1,782)	(2,955)	8,019
Capital expenditure from GAG	157,357	-	(5,343)	-	152,014
	<u>2,007,419</u>	<u>6,396</u>	<u>(45,185)</u>	<u>(2,955)</u>	<u>1,965,675</u>
Total restricted funds	<u>1,584,343</u>	<u>1,129,795</u>	<u>(1,137,256)</u>	<u>173,000</u>	<u>1,749,882</u>
Unrestricted funds					
General funds	<u>227,727</u>	<u>55,571</u>	<u>(55,096)</u>	<u>-</u>	<u>228,202</u>
Total funds	<u>1,812,070</u>	<u>1,185,366</u>	<u>(1,192,352)</u>	<u>173,000</u>	<u>1,978,084</u>

17 Analysis of net assets between funds

	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	<u>233,247</u>	<u>(546,938)</u>	<u>1,948,458</u>	<u>1,634,767</u>

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	Funds
	£	£	£	£
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	1,965,675	1,965,675
Current assets	228,202	277,038	-	505,240
Creditors falling due within one year	-	(111,831)	-	(111,831)
Defined benefit pension liability	-	(381,000)	-	(381,000)
Total net assets	228,202	(215,793)	1,965,675	1,978,084

18 Pensions 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 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £13,783 (2018: £15,750) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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

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

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

Scheme Changes

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

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

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

The employer's pension costs paid to the TPS in the period amounted to £64,477 (2018: £65,234).

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 £80,000 (2018: £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.

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pensions and similar obligations (Continued)

Total contributions made	2019 £	2018 £
Employer's contributions	70,000	77,000
Employees' contributions	14,000	16,000
Total contributions	<u>84,000</u>	<u>93,000</u>

Principal actuarial assumptions	2019 %	2018 %
Rate of increases in salaries	3.6	3.6
Rate of increase for pensions in payment	2.1	2.1
Discount rate	1.8	2.8
Inflation assumption (CPI)	<u>2.1</u>	<u>2.1</u>

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

	2019 Years	2018 Years
Retiring today		
- Males	21.9	22.9
- Females	25.1	26.4
Retiring in 20 years		
- Males	23.6	25.1
- Females	<u>26.9</u>	<u>28.7</u>

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

	2019 £	2018 £
Discount rate + 0.1%	2,291,000	1,885,000
Discount rate - 0.1%	2,381,000	1,961,000
Mortality assumption + 1 year	2,257,000	1,860,000
Mortality assumption - 1 year	2,416,000	1,987,000
CPI rate + 0.1%	2,363,000	1,944,000
CPI rate - 0.1%	<u>2,309,000</u>	<u>1,902,000</u>

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pensions and similar obligations

(Continued)

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

	2019 Fair value £	2018 Fair value £
Equities	1,071,580	1,013,850
Government bonds	67,076	60,080
Corporate bonds	186,504	168,224
Cash	34,356	33,044
Property	140,696	127,670
Other assets	135,788	99,132
Total market value of assets	1,636,000	1,502,000
Actual return on scheme assets - gain/(loss)	161,000	99,000

Amounts recognised in the statement of financial activities

	2019 £	2018 £
Current service cost	83,000	102,000
Past service cost	36,000	-
Interest income	(42,000)	(34,000)
Interest cost	51,000	46,000
Total operating charge	128,000	114,000

Changes in the present value of defined benefit obligations

	2019 £	2018 £
Obligations at 1 September 2018	1,883,000	1,830,000
Current service cost	83,000	102,000
Interest cost	51,000	46,000
Employee contributions	14,000	16,000
Actuarial loss/(gain)	380,000	(108,000)
Benefits paid	(111,000)	(3,000)
Past service cost	36,000	-
At 31 August 2019	2,336,000	1,883,000

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Pensions and similar obligations

(Continued)

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

	2019 £	2018 £
Assets at 1 September 2018	1,502,000	1,313,000
Interest income	42,000	34,000
Actuarial gain	119,000	65,000
Employer contributions	70,000	77,000
Employee contributions	14,000	16,000
Benefits paid	(111,000)	(3,000)
At 31 August 2019	<u>1,636,000</u>	<u>1,502,000</u>

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

	2019 £	2018 £
Net expenditure for the reporting period (as per the statement of financial activities)	(82,317)	(6,986)
Adjusted for:		
Capital grants from DfE and other capital income	(16,215)	(6,396)
Investment income receivable	(245)	(230)
Defined benefit pension costs less contributions payable	49,000	25,000
Defined benefit pension scheme finance cost	9,000	12,000
Depreciation of tangible fixed assets	54,720	45,185
(Increase) in debtors	(3,302)	(3,129)
Increase in creditors	30,722	3,323
Net cash provided by operating activities	<u>41,363</u>	<u>68,767</u>

20 Commitments under operating leases

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

	2019 £	2018 £
Amounts due within one year	693	1,080
Amounts due in two and five years	-	540
	<u>693</u>	<u>1,620</u>

RYHOPE INFANT SCHOOL ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 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.

22 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.