

Registration number: 08023322

# Gartree High School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016

Haines Watts Leicester LLP  
Chartered Accountants and Senior Statutory Auditor  
Hamilton Office Park  
31 High View Close  
Leicester  
LE4 9LJ

# **Gartree High School**

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# Gartree High School

## Reference and Administrative Details

<b>Members</b>	Mr P Pancholi Mrs D Parmar (Chair) Mr P E Bannister Mr P Storey
<b>Trustees (Directors)</b>	Ms S L Singleton
<b>Governors and Trustees (Directors)</b>	Dr D B Candlin Mr M Chhatrishia Ms S I Furlong (resigned 31 December 2015) Mrs H Patel (resigned 31 December 2015) Mrs A L Patrick (resigned 16 September 2015) Mr S Thanki Mr P E Bannister Mr P Storey Mrs D Parmar (Chair) Mrs M A Joseph Mrs S Buckby (appointed 15 January 2016) Rev J Rackley (appointed 1 June 2016) Mr M Chatra (appointed 1 June 2016) Mrs J Hammonds (appointed 1 June 2016)
<b>Company Secretary</b>	Mrs E J Delday
<b>Company Registration Number</b>	08023322
<b>Auditors</b>	Haines Watts Leicester LLP Chartered Accountants and Senior Statutory Auditor Hamilton Office Park 31 High View Close Leicester LE4 9LJ
<b>Senior Leadership Team</b>	Ms S L Singleton, Head Teacher Mr P E Bannister, Deputy Head Mr B Rackley, Deputy Head Ms C Bradshaw, Assistant Head Mr D Allard, Assistant Head Mrs E J Delday, Business Manager

## Gartree High School

### Reference and Administrative Details (continued)

<b>Principal and Registered Office</b>	Ridge Way Oadby Leicester Leicestershire LE2 5TQ
<b>Bankers</b>	Lloyds Bank Plc 7 High Street Leicester Leicestershire LE1 9FS
<b>Solicitors</b>	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. 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 10-14 serving a catchment area of Oadby and the surrounding villages. It has 807 roll as per the school census of Spring 2016

#### **Structure, governance and management**

##### ***Constitution***

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 10 April 2012 and commenced operation as an academy on 1 June 2012.

The Governors act as the Trustees for the charitable activities of Gartree High School and are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, 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 company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

##### ***Trustees' indemnities***

The Academy Trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

##### ***Method of recruitment and appointment or election of Trustees***

Any new Trustees will be appointed in accordance with the guidelines set out in the Funding Agreement. Parent Trustees shall be elected by parents of registered pupils at the School. A Parent Trustee must be a parent of a pupil at the Academy at the time when he/she is elected. The Board of Trustees shall make all necessary arrangements for an election of Parent Trustee. The Members of the Academy Trust shall comprise:

- the signatories to the Memorandum;
- 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose;
- the chairman of the Board of Trustees; and
- any additional person agreed unanimously in writing by the Members

##### **Trustees**

As detailed in the Memorandum and Articles, the Academy Trust should have the following Trustees:

- 2 Staff Trustees
- A minimum of 2 and up to 4 Parent Trustees
- Up to 4 Community Trustees
- The Head Teacher

The Members may appoint up to 1 Trustee save that no more than one third of the total number of individuals appointed as Trustees shall be employees of the Academy Trust (including the Head Teacher). The Head Teacher shall be treated for all purposes as being an ex officio Trustee. The Parent Trustees shall be elected by parents of registered pupils at the Academy.

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### ***Policies and procedures adopted for the induction and training of Trustees***

There is a commitment by the Board of Trustees to ensure that new Trustees are given the necessary information and support to fulfil their role with confidence. The process is seen as an investment, leading to more effective governance and retention of Trustees. A Trustees Induction Pack is made available for new Trustees which provides a comprehensive guide to the school and its governance.

The "Link Trustee" provides the initial induction, which includes a tour of the school to meet staff and students, establishing any training needs and initiating a link with a member of the Senior Leadership Team who in turn links the Trustee with specific department heads.

#### ***Arrangements for setting pay and remuneration of key management personnel***

The pay review committee of the Governing Body reviews and sets the pay and remuneration of all key management personnel in accordance with the Academy's pay policies.

#### ***Organisational structure***

Gartree High School has a simple and unified management structure to ensure efficiency. The structure consists of three levels: the Trustees, the Senior Leadership Team and the Middle Leadership Team. The aim of the management structure is to devolve responsibility, encourage involvement in decision-making at all levels and maximise opportunities for succession planning.

The Trustees fulfil a largely strategic role. They adopt a School Improvement Plan, approve the annual budget, monitor the school's performance and, on advice, make decisions about the strategic direction of Gartree High School its capital expenditure and senior staff appointments.

The SLT consists of the Head Teacher, two Deputy Head Teachers, two Assistant Head Teachers and the Business Manager. These leaders control the academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, other than those for which the Board of Trustees is responsible (having regard to the Head Teacher's advice).

The middle leadership consists of the Heads of Departments. As a group, the middle leaders have financial responsibility for their set budgets.

The Head Teacher is the Academy's Accounting Officer and the Business Manager is the Chief Finance Officer

#### ***Risk management***

As Trustees, we acknowledge we have overall responsibility for the School's system of internal financial control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material mis-statement or loss.

The Board of Trustees has delegated day-to-day responsibility to the Head Teacher, as Accounting Officer, for maintaining a sound system of internal control that supports the achievements of the School's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Financial Memorandum between Gartree High School and the Education Funding Agency (EFA). The Head Teacher is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### ***Connected organisations, including related party relationships***

The Academy works with a number of partners to share best practice and increase opportunities for students. Locally we work with Oadby Learning Partnership (OLP), Learning South Leicestershire (LSL) and Leicestershire Secondary Heads (LSH). Nationally we work with The Schools, Students and Teacher Network (SSAT) and Partners in eXceLLence (PiXL).

The Academy is exploring the opportunities associated with establishing a multi-academy trust. This work is currently ongoing.

#### **Objectives and activities**

##### ***Objects and aims***

Gartree High School regards education as a lifelong process and aims to provide the highest quality education for all its students regardless of age, ability, gender or ethnic background. It expects high standards of achievement and behaviour in a positive, caring environment in which there exists a mutual respect between students, staff and parents. The Academy regards its staff as its most important resource and is committed to their professional development to achieve its aims.

Aspiring to personal excellence in a supportive community.

At Gartree High School:

- Learning is central to everything we do, so that all pupils can reach their potential
- Everyone in our school is treated with respect and valued
- We work with honesty, trust and integrity
- We nurture self-belief, confidence and aspiration
- We celebrate success

Our aims are underpinned by the core values we hold:

- The uniqueness and potential of each individual
  - Respect for our self and others
  - Individual responsibility and self-discipline
  - Trust, honesty and integrity
  - Commitment, hard work and high aspirations
  - Recognition of success
- 
- To provide a broad and balanced curriculum in an atmosphere conducive to effective learning.
  - To develop teaching and learning styles which enable students to reach their full potential.
  - To provide a disciplined, caring and safe environment where students feel valued.
  - To encourage students to work co-operatively, respecting each other, adults and their environment.
  - To support students in developing the varied skills and attitudes which will equip them for the future, enabling them to make a positive contribution to the community and society.
  - To create an effective partnership with parents, Trustees and the wider community.
  - To establish professional working relationships and to facilitate the professional development of staff to achieve the Academy's aims.
  - To work within a framework of equal opportunities and to encourage an awareness and appreciation of cultural and religious diversity.
  - To provide effective and efficient administration and use of resources.

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### ***Objectives, strategies and activities***

The school's objectives are expressed in its mission statement – Aspiring to personal excellence in a supportive community. This is underpinned by the published aims of the school. The main objectives for 2015-16 are expressed within our annual improvement plan.

- Appendix A – School Improvement Plan 2015-16

Gartree High School has unconditional approval to be an 11-16 school from August 2017, having its first Year 10 cohort from this date.

#### ***Public benefit***

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the school's objectives and aims and in planning future activities for the year. The Trustees consider that the school's aims are demonstrably to the public benefit.

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### **Strategic Report**

##### **Achievements and performance**

Gartree High School continues to be a high achieving school and pupils' progress and attainment at the school outstanding.

Students transfer to Gartree High School at age 10 from five main feeder primary schools. At age 14 almost every student transfers to Beauchamp college.

In February 2015 Ofsted judged Gartree High School to be an outstanding school in all aspects.

"Outstanding achievement is the result of the school's high expectations, outstanding teaching, excellent support and pupils' wholly positive attitudes to learning."

"Pupils achieve outstandingly well and reach standards that are well above those expected for their age."

"Leaders know exactly what has to be done to maintain the school's many strengths and improve the very few areas that are not yet outstanding."

"Governors are highly effective. They have a very clear idea of how well the school is doing but continue to challenge leaders to improve teaching and achievements further."

## Gartree High School

### Trustees' Report for the Year Ended 31 August 2016 (continued)

#### Strategic Report

##### Key Stage 2 results for Summer 2016

	% on or above	VA progress
Reading	63	-2.1
Writing	77	-0.5
GPS	71	N/A
Maths	63	-3.6
ReWrMa	52	N/A

##### Key Stage 3 results for summer 2016

Subject	Points progress KS2-3	Percentage L5+	Percentage L6+	Percentage L7+
KS3 Art	11.1	97	70	28
KS3 DT	12	99	92	26
KS3 English	10	94	71	25
KS3 Geography	14.1	98	78	26
KS3 History	13.8	97	74	22
KS3 ICT	12.8	99	91	38
KS3 Maths	13	94	79	51
KS3 MFL	15	94	74	23
KS3 Music	11.7	98	89	22
KS3 PE	11.3	99	88	11
KS3 RE	11.8	95	62	11
KS3 Science	11.8	98	78	27

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### **Strategic Report**

##### ***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.

##### ***Key financial performance indicators***

Gartree High School benchmarks income against curriculum and staffing needs. Key financial indicators are used to drive the type and appropriateness of the curriculum offered. Development planning activities are cross-referenced to relevant cost centres and success criteria monitor the efficiency and effectiveness with which resources are deployed. Different curriculum models are explored each year and decisions made, based on financial information available, cost effectiveness and likely student outcomes.

##### **Financial review**

The majority of the Academy's income is derived from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), capital grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2016, total restricted expenditure of £3,600,208 (2015: £3,359,620) was adequately covered by recurrent grant funding from the EFA together with other incoming resources.

At 31 August 2016 the net book value of fixed assets was £14,807,228 (2015: £15,136,613) and the movement in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and associated support services to the students of the Academy.

The school's cash flow is strong due to the profile of its incoming resources. In particular, the receipt of core grant funding at the start of the financial year means that reserves are not required for working capital purposes.

The pension liability does not have an immediate cash flow impact. The cash flow impact will be the increased contributions as a result of the scheme deficit.

# Gartree High School

## Trustees' Report for the Year Ended 31 August 2016 (continued)

### Strategic Report

#### *Financial and risk management objectives and policies*

This is the third year of operation as an Academy for Gartree High School. The Academy has developed and adopted an appropriate system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

A Risk Register is maintained at Academy level which is reviewed at least annually by the Finance Committee and more frequently where necessary. The Risk Register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks.

The principal risks that may affect the Academy are outlined below. Not all factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

#### 1. Government Funding

The Academy has full reliance on continued government funding through the EFA. The majority of the Academy's revenue was public funded and this level of requirement is expected to continue. There can be no assurance that government policy or practise will remain the same or that public funding will continue at the same levels or on the same terms. Staffing costs have increased through NI contributions, pay uplifts and increases in pension contributions.

The risk is mitigated in a number of ways:

- by ensuring staffing ratios and contact time are cost effective
- by ensuring the Academy is rigorous in continuing to deliver high quality education
- to continue the development of Gartree High School and its provision in line with cost and budget

#### 2. Maintain adequate funding of pension liabilities

The financial statements report the share of the Local Government Pension Scheme deficit on the Academy's balance sheet in line with the requirements of FRS 102.

#### *Reserves policy*

The Academy is required to consider what level of reserves it is appropriate for the Academy to hold in order to demonstrate appropriate financial management, stewardship and sustainability. The Board of Trustees wish to do this to provide assurance to all stakeholders that the Academy is managed in a prudent manner for the best interests of its beneficiaries. The Board of Trustees also want to provide confidence that there is a strong justification for the reserves held by the Academy, and that they wish to be open and transparent on all aspects concerning the Academy's reserves policy. In doing this the Academy has considered the following areas.

The financial risks that are mitigated by the holding of reserves include variability of income, variability of expenditure and the risks identified as serious, major or critical that have financial significance.

No funds from reserves were used in this financial year to support the budget. It would be our intention to hold reserves at a similar level until the uncertainty regarding the reorganisation of the school structure and age range change in Leicestershire has been implemented in our locality. We are currently consulting on change.

The Academy Trust's unrestricted funds at the year end were £658,465 (2015: £549,833).

## **Gartree High School**

### **Trustees' Report for the Year Ended 31 August 2016 (continued)**

#### **Strategic Report**

##### ***Investment policy***

The purpose of the policy is to consider the management of the Academy's funds bearing in mind the responsibilities that come with the receipt of central government funding.

The Trustees have agreed to:

- To regularly monitor Cash Flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.
- To identify funds surplus to immediate cash requirements and transfer the funds to the Gartree High School deposit account bearing a higher interest rate.
- To review periodically and at least annually interest rates and compare with other investment opportunities.
- To review periodically and at least annually the academy's current policy to only invests funds in risk free and immediately accessible deposit accounts.

##### ***Plans for future periods***

From August 2017 onwards Gartree High School will be an 11-16 school.

##### **Auditor**

In so far as the Trustees are aware:

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

##### ***Reappointment of auditor***

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Haines Watts Leicester LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Board of Trustees on 13 December 2016 and signed on its behalf by:

.....  
Mrs D Parmar (Chair)  
Governor and trustee

## **Gartree High School**

### **Governance Statement**

#### **Scope of responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to Ms S L Singleton, 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 Gartree High School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs D Parmar (Chair)	4	4
Mr P E Bannister	4	4
Dr D B Candlin	3	4
Mr P Storey	4	4
Ms S I Furlong	2	2
Mr M Chhatrishia	2	4
Mrs H Patel	1	2
Ms S L Singleton	4	4
Mr S Thanki	3	4
Mrs M A Joseph	2	4
Mrs S Buckby	2	2
Rev J Rackley	1	1
Mr M Chatra	1	1
Mrs J Hammonds	1	1

## Gartree High School

### Governance Statement (continued)

The Finance and Infrastructure Committee is a sub-committee of the main Board of Trustees. Its purpose is to guide and assist the Head Teacher and Board of Trustees in all matters concerning budgeting, finance, personnel and premises; including grounds, security and Health and Safety.

Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs D Parmar (Chair)	3	3
Mr P E Bannister	3	3
Ms S I Furlong	1	1
Mr M Chhatrisha	2	3
Mrs H Patel	0	1
Ms S L Singleton	3	3
Mr P Storey	2	2
Mr S Thanki	2	2

#### **Review of value for money**

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

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

- Achievement and standards have continued to improve. We were inspected by Ofsted in February 2015 and found to be outstanding in all areas.
- We ensure robust financial Governance through our Finance and Infrastructure Committee.
- Contracts and procurement are reviewed regularly.
- Financial analysis and benchmarking of all costs takes place to achieve value for money.
- Meeting structure and communication ensures strong internal controls.
- Partnerships locally and nationally ensure our working is best practice.

We strive to ensure the Academy is using its resources effectively to meet the needs of our pupils.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Gartree High School for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

## **Gartree High School**

### **Governance Statement (continued)**

#### **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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 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 Infrastructure 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 has decided:

- to appoint Leicestershire County Council internal audit department as internal auditor

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Annually, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

#### **Review of effectiveness**

As Accounting Officer, Ms S L Singleton 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 auditor ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

**Gartree High School**

**Governance Statement (continued)**

Approved by order of the members of the Board of Trustees on 13 December 2016 and signed on its behalf by:

.....  
Ms S L Singleton  
Accounting officer  
Trustee

.....  
Mrs D Parmar (Chair)  
Governor and trustee

## **Gartree High School**

### **Statement on Regularity, Propriety and Compliance**

As accounting officer of Gartree High School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust 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.

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 EFA.

.....  
Ms S L Singleton  
Accounting officer

13 December 2016

## **Gartree High School**

### **Statement of Trustees' Responsibilities**

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 13 December 2016 and signed on its behalf by:

.....  
Mrs D Parmar (Chair)  
Governor and trustee

## **Gartree High School**

### **Independent Auditor's Report on the Financial Statements to the Members of Gartree High School**

We have audited the financial statements of Gartree High School for the year ended 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charity'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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 17), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2015 to 2016; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Gartree High School**

### **Independent Auditor's Report on the Financial Statements to the Members of Gartree High School (continued)**

#### **Matters on which we are required to report by exception**

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

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

.....  
Sanjay Khullar (Senior Statutory Auditor)

For and on behalf of Haines Watts Leicester LLP, Statutory Auditor

Hamilton Office Park  
31 High View Close  
Leicester  
LE4 9LJ

13 December 2016

## **Gartree High School**

### **Independent Reporting Accountant's Report on Regularity to Gartree High School and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 30 July 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Gartree High School during the period 1 September 2015 to 31 August 2016 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 Gartree High School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Gartree High School and the EFA 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 Gartree High School and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Gartree High School's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Gartree High School's funding agreement with the Secretary of State for Education dated 1 June 2012 and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

We have confirmed that the activities conform to the Academy Trust's framework of authorities. As identified by the review of minutes, management accounts, discussion with the accounting officer and other key management personnel.

We have carried out an analytical review as part of the consideration of whether general activities of the Academy Trust are within the Academy Trust's framework of authorities.

We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the Academy Trust and extended the procedures required for financial statements to include regularity

## **Gartree High School**

### **Independent Reporting Accountant's Report on Regularity to Gartree High School and the Education Funding Agency (continued)**

We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.

Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.

In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.

We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....  
Sanjay Khullar (Senior Statutory Auditor)  
For and on behalf of Haines Watts Leicester LLP, Chartered Accountants

Hamilton Office Park  
31 High View Close  
Leicester  
LE4 9LJ

13 December 2016

## Gartree High School

### Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	51,461	-	-	51,461
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	3,606,083	25,381	3,631,464
Other trading activities	4	340,935	-	-	340,935
Investments	5	7,132	-	-	7,132
Total		<u>399,528</u>	<u>3,606,083</u>	<u>25,381</u>	<u>4,030,992</u>
<b>Expenditure on:</b>					
Raising funds	6	206,034	-	-	206,034
<i>Charitable activities:</i>					
Academy trust educational operations	7	19,619	3,600,208	360,488	3,980,315
Total		<u>225,653</u>	<u>3,600,208</u>	<u>360,488</u>	<u>4,186,349</u>
Net income/(expenditure)		173,875	5,875	(335,107)	(155,357)
Transfers between funds		-	(5,722)	5,722	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	(359,000)	-	(359,000)
Net movement in funds/(deficit)		173,875	(358,847)	(329,385)	(514,357)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2015		<u>658,465</u>	<u>(955,666)</u>	<u>15,136,613</u>	<u>14,839,412</u>
Total funds/(deficit) carried forward at 31 August 2016		<u><u>832,340</u></u>	<u><u>(1,314,513)</u></u>	<u><u>14,807,228</u></u>	<u><u>14,325,055</u></u>

## Gartree High School

### Statement of Financial Activities for the Year Ended 31 August 2015 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	17,452	-	-	17,452
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	3,375,991	6,666	3,382,657
Other trading activities	4	338,406	-	-	338,406
Investments	5	3,435	-	-	3,435
Total		<u>359,293</u>	<u>3,375,991</u>	<u>6,666</u>	<u>3,741,950</u>
<b>Expenditure on:</b>					
Raising funds	6	247,011	-	-	247,011
<i>Charitable activities:</i>					
Academy trust educational operations	7	3,650	3,359,620	354,268	3,717,538
Total		<u>250,661</u>	<u>3,359,620</u>	<u>354,268</u>	<u>3,964,549</u>
Net income/(expenditure)		108,632	16,371	(347,602)	(222,599)
Transfers between funds		-	(94,873)	94,873	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	(27,000)	-	(27,000)
Net movement in funds/(deficit)		108,632	(105,502)	(252,729)	(249,599)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2014		<u>549,833</u>	<u>(850,164)</u>	<u>15,389,342</u>	<u>15,089,011</u>
Total funds/(deficit) carried forward at 31 August 2015		<u><u>658,465</u></u>	<u><u>(955,666)</u></u>	<u><u>15,136,613</u></u>	<u><u>14,839,412</u></u>

## Gartree High School

### (Registration number: 08023322) Balance Sheet as at 31 August 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11	14,807,228	15,136,613
<b>Current assets</b>			
Stocks	12	2,108	2,442
Debtors	13	118,980	90,559
Cash at bank and in hand		<u>1,308,543</u>	<u>1,167,143</u>
		1,429,631	1,260,144
Creditors: Amounts falling due within one year	14	<u>(283,804)</u>	<u>(379,345)</u>
Net current assets		<u>1,145,827</u>	<u>880,799</u>
Total assets less current liabilities		<u>15,953,055</u>	<u>16,017,412</u>
Net assets excluding pension liability		15,953,055	16,017,412
Pension scheme liability	22	<u>(1,628,000)</u>	<u>(1,178,000)</u>
Net assets including pension liability		<u><u>14,325,055</u></u>	<u><u>14,839,412</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		313,487	222,334
Restricted fixed asset fund		14,807,228	15,136,613
Restricted pension fund		<u>(1,628,000)</u>	<u>(1,178,000)</u>
		13,492,715	14,180,947
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>832,340</u>	<u>658,465</u>
Total funds		<u><u>14,325,055</u></u>	<u><u>14,839,412</u></u>

The financial statements on pages 22 to 43 were approved by the Trustees, and authorised for issue on 13 December 2016 and signed on their behalf by:

.....  
Mrs D Parmar (Chair)  
Governor and trustee

## Gartree High School

### Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	165,371	260,215
Cash flows from investing activities	19	<u>(23,971)</u>	<u>(98,104)</u>
Change in cash and cash equivalents in the year		141,400	162,111
Cash and cash equivalents at 1 September		<u>1,167,143</u>	<u>1,005,032</u>
Cash and cash equivalents at 31 August	20	<u><u>1,308,543</u></u>	<u><u>1,167,143</u></u>

# Gartree High School

## Notes to the Financial Statements for the Year Ended 31 August 2016

### 1 Accounting policies

#### Statement of 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.

#### Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Gartree High School meets the definition of a public benefit entity under FRS 102.

#### Going concern

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

#### Income

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

#### Grants

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

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

Capital grants are recognised 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.

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 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'.

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.

##### **Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

##### *Expenditure on raising funds*

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

##### *Charitable activities*

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

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 1 Accounting policies (continued)

##### Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Long leasehold land	Not depreciated
Long leasehold buildings	50 years straight line basis
Furniture and equipment	5 years straight line basis
Computer equipment	5 years straight line basis

##### 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.

##### Provisions

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

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

##### Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

##### Stock

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

## **Gartree High School**

### **Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)**

#### **1 Accounting policies (continued)**

##### **Taxation**

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

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

##### **Pension benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in the notes to the financial statements, 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 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.

##### **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/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

##### **Critical accounting estimates and areas of judgement**

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

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 1 Accounting policies (continued)

##### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31/08/2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 2 Voluntary income

	Unrestricted funds £	Total 2016 £	Total 2015 £
Other donations	51,461	51,461	17,452
	51,461	51,461	17,452

#### 3 Funding for the Academy Trust's educational operations

	Restricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
<b>DfE/EFA capital grants</b>				
Devolved capital income	-	25,381	25,381	6,666
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	3,157,727	-	3,157,727	3,095,202
<b>Other government grants</b>				
SEN funding from local authority	145,544	-	145,544	102,965
Other Dfe/EFA grants	300,191	-	300,191	155,672
	445,735	-	445,735	258,637
<b>Non-government grants and other income</b>				
Other income	2,621	-	2,621	22,152
Total grants	3,606,083	25,381	3,631,464	3,382,657

#### 4 Other trading activities

	Unrestricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	12,401	12,401	12,294
Recharges and reimbursements	312,752	312,752	247,390
Other sales	15,782	15,782	78,722
	340,935	340,935	338,406

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 5 Investment income

	<b>Unrestricted funds</b>	<b>Total 2016</b>	<b>Total 2015</b>
	£	£	£
Short term deposits	7,132	7,132	3,435

#### 6 Expenditure

	<b>Staff costs</b>	<b>Premises</b>	<b>Other costs</b>	<b>Total 2016</b>	<b>Total 2015</b>
	£	£	£	£	£
Expenditure on raising funds	-	-	206,034	206,034	247,011
<b>Academy's educational operations</b>					
Direct costs	2,555,333	-	288,665	2,843,998	2,634,830
Allocated support costs	400,629	595,483	140,205	1,136,317	1,082,708
	2,955,962	595,483	428,870	3,980,315	3,717,538
	2,955,962	595,483	634,904	4,186,349	3,964,549

#### Net income/(expenditure) for the year includes:

	<b>2016</b>	<b>2015</b>
	£	£
Fees payable to auditor - audit	4,650	4,500
- other audit services	800	775
Depreciation of fixed assets	360,488	354,268

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 7 Charitable activities - Academy's educational operations

	<b>Educational operations £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
<b>Analysis of support costs</b>			
Support staff costs	400,629	400,629	392,382
Depreciation	360,488	360,488	354,268
Premises costs	234,995	234,995	228,608
Other support costs	132,995	132,995	102,175
Governance costs	7,210	7,210	5,275
Total support costs	<u>1,136,317</u>	<u>1,136,317</u>	<u>1,082,708</u>

#### 8 Staff

##### Staff costs

	<b>2016 £</b>	<b>2015 £</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	2,314,636	2,177,249
Social security costs	179,962	155,237
Pension costs	414,705	358,418
	<u>2,909,303</u>	<u>2,690,904</u>
Supply teacher costs	46,659	52,305
Staff restructuring costs	-	8,101
	<u>2,955,962</u>	<u>2,751,310</u>

##### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2015: £8,101).

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 8 Staff (continued)

##### Staff numbers

The average number of persons (including senior leadership team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2016 No	2015 No
<b>Charitable Activities</b>		
Teachers	43	38
Administration and support	33	29
Management	5	5
	<u>81</u>	<u>72</u>

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2016 No	2015 No
£60,001 - £70,000	2	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

The key management personnel of the Academy Trust comprise the trustees and the senior leadership 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 £168,471 (2015: £157,259).

#### 9 Related party transactions - trustees' remuneration and expenses

The Principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees. The value of trustees' annualised remuneration was as follows:

Ms S L Singleton (Head teacher):

Remuneration: £80,000 - £85,000 (2015 - £75,000 - £80,000)

Employer's pension contributions: £10,000 - £15,000 (2015 - £10,000 - £15,000)

Mr P E Bannister (Staff trustee):

Remuneration: £60,000 - £65,000 (2015 - £55,000 - £60,000)

Employer's pension contributions: £10,000 - £15,000 (2015 - £5,000 - £10,000)

Ms S I Furlong (Staff trustee):

Remuneration: £5,000 - £10,000 (2015 - £25,000 - £30,000)

Employer's pension contributions: £0 - £5,000 (2015 - £0 - £5,000)

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 9 Related party transactions - trustees' remuneration and expenses (continued)

Mrs A L Patrick (Staff trustee):

Remuneration: £0 - £5,000 (2015 - £45,000 - £50,000)

Employer's pension contributions: £0 - £5,000 (2015 - £5,000 - £10,000)

Mrs S Buckby (Staff trustee):

Remuneration: £15,000 - £20,000 (2015 - £Nil)

Employer's pension contributions: £0 - £5,000 (2015 - £Nil)

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

#### 10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,243 (2015 - £1,243).

The cost of this insurance is included in the total insurance cost.

#### 11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	15,843,294	155,098	217,864	16,216,256
Additions	-	6,676	24,427	31,103
At 31 August 2016	<u>15,843,294</u>	<u>161,774</u>	<u>242,291</u>	<u>16,247,359</u>
<b>Depreciation</b>				
At 1 September 2015	901,272	88,492	89,879	1,079,643
Charge for the year	279,675	32,354	48,459	360,488
At 31 August 2016	<u>1,180,947</u>	<u>120,846</u>	<u>138,338</u>	<u>1,440,131</u>
<b>Net book value</b>				
At 31 August 2016	<u>14,662,347</u>	<u>40,928</u>	<u>103,953</u>	<u>14,807,228</u>
At 31 August 2015	<u>14,942,022</u>	<u>66,606</u>	<u>127,985</u>	<u>15,136,613</u>

#### 12 Stock

	2016 £	2015 £
Catering	<u>2,108</u>	<u>2,442</u>

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 13 Debtors

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade debtors	18,964	976
Prepayments	50,684	41,121
Accrued grant and other income	34,832	29,800
VAT recoverable	13,624	18,662
Other debtors	876	-
	<u>118,980</u>	<u>90,559</u>

#### 14 Creditors: amounts falling due within one year

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other taxation and social security	100,847	88,234
Other creditors	153,877	122,703
Accruals	22,686	151,176
Deferred income	6,394	17,232
	<u>283,804</u>	<u>379,345</u>

	<b>2016</b>
	<b>£</b>
<b>Deferred income</b>	
Deferred income at 1 September 2015	17,232
Resources deferred in the period	6,394
Amounts released from previous periods	(17,232)
Deferred income at 31 August 2016	6,394

Deferred income includes parental contributions received for school trips taking place in 2017.

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 15 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	222,334	3,606,083	(3,509,208)	(5,722)	313,487
<b>Restricted fixed asset funds</b>					
Tangible fixed assets	15,136,613	25,381	(360,488)	5,722	14,807,228
<b>Restricted pension funds</b>					
Pension reserve	<u>(1,178,000)</u>	<u>-</u>	<u>(91,000)</u>	<u>(359,000)</u>	<u>(1,628,000)</u>
Total restricted funds	14,180,947	3,631,464	(3,960,696)	(359,000)	13,492,715
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>658,465</u>	<u>399,528</u>	<u>(225,653)</u>	<u>-</u>	<u>832,340</u>
Total funds	<u><u>14,839,412</u></u>	<u><u>4,030,992</u></u>	<u><u>(4,186,349)</u></u>	<u><u>(359,000)</u></u>	<u><u>14,325,055</u></u>

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

#### Restricted general funds

This fund represents grants received for the Academy's operational activities and development. It includes the pension reserve, which represents the potential liability due by the Academy at the period end.

#### Restricted fixed asset fund

The fund represents the net book value of fixed assets that the Academy has purchased out of grants received or were transferred on conversion.

#### Unrestricted funds

The unrestricted fund represents funds available to the trustees to apply for the general purposes of the Academy.

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 16 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	14,807,228	14,807,228
Current assets	832,340	585,184	-	1,417,524
Current liabilities	-	(271,697)	-	(271,697)
Pension scheme liability	-	(1,628,000)	-	(1,628,000)
Total net assets	832,340	(1,314,513)	14,807,228	14,325,055

#### 17 Commitments under operating leases

##### *Operating leases*

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts due within one year	180	2,094
Amounts due between one and five years	7,572	-
	7,752	2,094

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Net expenditure	(155,357)	(222,599)
Depreciation	360,488	354,268
Interest receivable	(7,132)	(3,435)
Defined benefit pension scheme obligation inherited	47,000	47,000
Defined benefit pension scheme cost less contributions payable	(35,000)	(42,000)
Defined benefit pension scheme finance cost	79,000	69,000
Decrease/(increase) in stocks	334	(2,442)
(Increase)/decrease in debtors	(28,421)	43,949
(Decrease)/increase in creditors	(95,541)	16,474
	<u>165,371</u>	<u>260,215</u>
Net cash provided by Operating Activities	<u>165,371</u>	<u>260,215</u>

#### 19 Cash flows from investing activities

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Purchase of tangible fixed assets	<u>(31,103)</u>	<u>(101,539)</u>

#### 20 Analysis of cash and cash equivalents

	<b>At 31 August</b>	<b>At 31 August</b>
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>1,308,543</u>	<u>1,167,143</u>
Total cash and cash equivalents	<u>1,308,543</u>	<u>1,167,143</u>

#### 21 Members' liability

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

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 22 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

##### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 22 Pension and similar obligations (continued)

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £257,988 (2015: £211,482).

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

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a multi-employer pension scheme. The Academy 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 contribution made for the year ended 31 August 2016 was £142,000 (2015 - £134,000), of which employer's contributions totalled £110,000 (2015 - £104,000) and employees' contributions totalled £32,000 (2015 - £30,000). The agreed contribution rates for future years are 24 per cent for employers and 5.5 - 12.5 per cent for employees.

#### Principal actuarial assumptions

	At 31 August 2016 %	At 31 August 2015 %
Rate of increase in salaries	3.10	4.50
Rate of increase for pensions in payment/inflation	2.10	2.60
Discount rate for scheme liabilities	2.00	3.70
Inflation assumptions (CPI)	2.10	2.60
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

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

	At 31 August 2016	At 31 August 2015
<b>Retiring today</b>		
Males retiring today	22.20	22.20
Females retiring today	24.30	24.30
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.20	24.20
Females retiring in 20 years	<u>26.60</u>	<u>26.60</u>

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 22 Pension and similar obligations (continued)

The Academy Trust's share of the assets and liabilities in the scheme were:

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
	<b>£</b>	<b>£</b>
Equities	864,720	571,000
Government bonds	216,180	182,000
Property	108,090	95,000
Cash	<u>12,010</u>	<u>17,000</u>
Total market value of assets	1,201,000	865,000
Present value of scheme liabilities - funded	<u>(2,829,000)</u>	<u>(2,043,000)</u>
Deficit in the scheme	<u><u>(1,628,000)</u></u>	<u><u>(1,178,000)</u></u>

The actual return on scheme assets was £28,000 (2015 - £30,000).

#### Amounts recognised in the statement of financial activities

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Current service cost	<u>157,000</u>	<u>147,000</u>
Total operating charge	<u><u>157,000</u></u>	<u><u>147,000</u></u>

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
At 1 September	2,043,000	1,781,000
Current service cost	157,000	147,000
Interest cost	79,000	69,000
Employee contributions	32,000	30,000
Actuarial losses	523,000	16,000
Benefits paid	<u>(5,000)</u>	<u>-</u>
At 31 August	<u><u>2,829,000</u></u>	<u><u>2,043,000</u></u>

## Gartree High School

### Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

#### 22 Pension and similar obligations (continued)

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

	2016	2015
	£	£
At 1 September	865,000	704,000
Interest income	35,000	42,000
Actuarial losses	-	(11,000)
Employer contributions	110,000	104,000
Employee contributions	32,000	30,000
Benefits paid	(5,000)	(4,000)
Return on plan assets (excluding net interest on the net defined pension liability)	<u>164,000</u>	<u>-</u>
At 31 August	<u><u>1,201,000</u></u>	<u><u>865,000</u></u>

#### 23 Related party transactions

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

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

#### 24 Agency arrangements

The Academy Trust acts as an agent in receiving funds and incurring expenditure on behalf of Learning South Leicestershire (LSL). In the accounting period ended 31 August 2016 the Trust received £70,550 and expended £19,288 on behalf of LSL. An amount of £153,877 is included in other creditors relating to amounts held on behalf of LSL.

#### 25 Transition to FRS 102

##### First time adoption of FRS 102

These financial statements are the first financial statements of Gartree High School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Gartree High School for the year ended 31/08/2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

The policies applied under the Academy Trust's previous accounting framework are not materially different to FRS 102 and have not impacted on reserves or surplus or deficit.