

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

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GLYNE GAP SCHOOL
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REFERENCE AND ADMINISTRATIVE DETAILS

Members

A D Phillips
T Henning
C Cordell (resigned 31 August 2020)
S D Lamb (appointed 1 September 2020)

Trustees

C Cordell, Chair of Trustees (resigned 31 August 2020)
F Hall (resigned 31 August 2020)¹
T Newstead¹
A D Phillips, Deputy Chair of Trustees¹
K Prawanna, Headteacher and Accounting Officer¹
M Rowland
S D Lamb, Chair of Trustees (appointed 1 September 2020)

¹ member of the Resources Committee

Company registered number

08410002

Company name

Glyne Gap School

Principal and registered office

School Place, Hastings Road, Bexhill on Sea, East Sussex, TN40 2PU

Company secretary

B Smart

Senior management team

K Prawanna, Headteacher
B Clarke, Assistant Headteacher
J Gosling, Assistant Headteacher
S Tidmarsh, Assistant Headteacher
B Smart, Business Manager

Independent auditors

Cooper Parry Group Limited, Park View, One Central Boulevard, Blythe Valley Park, Solihull, West Midlands, B90 8BG

Bankers

Natwest Bank, Devonshire Road, Bexhill on Sea, TN40 1GW

Solicitors

Brown Jacobson LLP, 1 Manor Court, Dix's Field, Exeter, Devon, EX1 1UP

GLYNE GAP SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

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

The Trust operates as an Academy Trust for pupils aged 2 to 19 serving a catchment area in the Hastings and Rother area, with a pupil capacity of 115 and 105 pupils currently enrolled based on the Spring 2020 Census.

Structure, governance and management

a. Constitution

The Academy Trust is a charitable 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 Glyne Gap School are also the Directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year, and to the date the approval of this report and the financial statements are included in the Reference and administrative details on page 1.

b. 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.

c. Trustees' indemnities

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA'), an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

d. Method of recruitment and appointment or election of Trustees

The Trust shall have the following Trustees, as set out in its Articles of Association and funding agreement:

- The Headteacher;
- Any Staff Governors;
- Up to three Community Governors; and
- A minimum of two Parent Governors.

Trustees are appointed for a 4 year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's ongoing development.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Policies adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the School and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. All new Trustees also have the opportunity to undertake National Governor Association training and all Trustees receive regular National Governor Association updates. As there are normally only a few new Trustee appointments each year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various external organisations as appropriate.

A bespoke governance development program is operated throughout the year which allows Trustees to meet informally as a team for training, so as to keep the Trustees updated on relevant developments impacting on their roles and responsibilities, and to contribute to the strategic leadership and direction of the Academy Trust.

f. Organisational structure

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust, capital expenditure and staff appointments

The Board of Trustees normally meet four times each year. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings and through direct reporting from the elected Chair of each Committee. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There are three Committees of the Board of Trustees as follows:

- Teaching and Learning
- Resources (including Audit)
- Safeguarding

Each Committee has its own terms of reference detailing the responsibilities discharged to it.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure.
- to appoint or remove the Chair and / or Deputy Chair.
- to appoint the Headteacher.

The Trustees have devolved the day-to-day management of the Academy Trust to the Senior Leadership Team ('SLT'), which is led by the Headteacher. The SLT comprises the Headteacher and three Assistant Headteachers. The SLT is supported by the Senior Management Team (SMT), the SMT comprises of the Business Manager, the Communication Team Leader and one Master Practitioner. The Headteacher is the Academy Trust's Accounting Officer and has overall responsibility for the day to day financial management of the Academy Trust. The SLT implements the policies laid down by the Trustees and reports back to them on performance.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

g. Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy Trust in charge of directing and controlling, running and operating the Academy Trust on a day to day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy Trust. Details of Trustees' remuneration and expenses are disclosed in note 10 of the financial statements respectively.

The pay of the senior management team is reviewed annually by the Resources Committee in line with the Academy Trust's pay and remuneration policy and by reference to published pay scales for both teaching and administrative support staff.

h. Related parties and other connected charities and organisations

There are no related parties or connected organisations which either control or significantly influence the decisions and operations of the Academy Trust.

i. Trade Union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require specified public-sector employers to report annually on paid time off provided to trade union representatives for trade union duties and activities. No employees of the Academy Trust were relevant Trade Union officials during the 2019/20 year and nor was any paid time off for Trade Union activities provided by the Academy Trust during the year.

Objectives and activities

a. Objects and aims

The principal objects of the Academy Trust, as set out in its Articles of Association, are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of Hastings/Rother and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of the Academy Trust during the year ended 31 August 2020 are summarised below:

- Maintain, manage and develop Glyne Gap School across all sites: -
 - Glyne Gap School, Hastings Road, Bexhill on Sea
 - Glyne Gap Faculty, Bexhill College, Penland Road, Bexhill on Sea
 - Glyne Gap Nursery, Hastings Road, Bexhill on Sea
 - Independent Living Accommodation, Victoria Road, Bexhill on Sea
- Ensure the learning and wellbeing of all pupils and students.
- Complete all aspects of the school development plan.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

- Ensure that robust financial management systems are in place in line with ESFA guidance.
- Support the wellbeing of our pupils during the COVID-19 outbreak.

b. Objectives, strategies and activities

The key priorities for the period are contained in the Academy Trust's Development Plan which is available from the Headteacher.

The key activities of the Academy Trust for the year ended 31 August 2020 were focused as follows:

- Enhance safeguarding procedures through implementation of the recommendations and learning from recent safeguarding audit and review.
- Develop leadership of class teacher through twilight delivery and bespoke coaching.
- Ensure the school-wide mental health strategy meets the needs of pupils, families and staff through reflective review of practice with the local authority MAHW team.
- Maximise teacher capacity and time to teach through refining Annual Review and R/planning processes.
- Develop purposeful and measurable work skills for KS5 students through a supported internship.
- From 20 March 2020 onwards: -
 - Maintain school opening for vulnerable pupils and key workers' children.
 - Ensure a remote learning offer for pupils not attending school.
 - Provide practical and emotional support to pupils and their families, whether attending school or not.
 - Maintain COVID-19 free environment.
 - Ensure the school continued to fulfil its safeguarding duties despite some pupils not attending school.
 - Provide practical and emotional support to staff whether attending school or not.
 - Maintain an oversight of budget with additional costs due to COVID-19.
 - Maintain statutory and operations standards.
 - Work with the LA to support and provide education for pupils not on roll.
 - Provide holiday provision offer for Easter holiday and the summer holiday.

c. Public benefit

The Academy Trust aims to advance for the public benefit education in the Hastings/Rother area and the surrounding area, offering a broad curriculum and an excellent education environment for its pupils. The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

The Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

a. Key performance indicators

The Academy Trust uses a number of benchmarks or performance indicators to evaluate its financial performance and drive budgetary control and monitoring.

A key financial performance indicator for the Trust is the level of reserves held at the balance sheet date and, in particular, the amount of unrestricted reserves plus restricted income reserves at year end. At 31 August 2020, the balance of the unrestricted and restricted income reserves was £874,786 (2019: £935,054), which is after transfers of £22,115 to the restricted fixed asset fund to fund capital expenditure during the year. Further details on the level of reserves held by the Academy Trust are set out in the Reserves Policy section below.

As the majority of the Academy Trust's funding is based on pupil numbers, pupil numbers is also a key performance indicator. The total number of pupils at the October 2020 census was 115, which is an increase of 4 compared to the previous October census.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to total educational grant funding (being GAG funding plus other operating educational grants from the ESFA and Local Authority) for the year was 87.1% (2019: 82.9%), while the percentage of staff costs to total costs (excluding depreciation and LGPS FRS102 pension cost charges) was 84.9% (2019: 84.7%).

b. Going concern

As only 50% of funding is guaranteed for the year, any change in the number of pupils on roll can be significant to the Academy's ability to operate as a going concern. The Headteacher reviews the number on roll on a monthly basis and liaises with the local authority regarding possible new pupils, as they are responsible for admissions to the school. The Academy Trust completes five year forecasts (three years of which are in depth) to enable the Board of Trustees to consider its operations existence.

The Board of Trustees are aware that due to staffing cost increases reserves will need to be used in the coming years. The Headteacher and other ESCC special schools are in consultation with the Local Authority regarding the value of SVTs (Single Value Top ups).

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 within the financial statements.

c. Performance

The Academy Trust continues to evolve and to adapt to the ever-changing educational environment. The Trust is in its seventh year of operation since conversion to an Academy Trust. The total number of pupils on roll at the year-end 31 August 2020 was 113 and this has increased to 115 at the October 2020 census due to the continued demand for places at the Academy Trust.

The Academy Trust is committed to continual improvement, which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

c. Performance (continued)

The particular achievements and performance of the Academy Trust during the year ended 31 August 2020 were as follows:

- 61% of pupils made outstanding progress.
- Successful management of school resources despite additional costs related to COVID-19.
- ESCC standards and learning effectiveness service report confirming that the school remains outstanding.
- School stayed open to pupils throughout COVID-19.
- Provided holiday club offer to families during Easter and the Summer holidays.
- Took on additional pupils not on school roll.
- Maintain positive morale and operational standards throughout COVID-19 period

d. Promoting the Success of the Academy Trust

The Trustees have acted in the way which they consider, in good faith, promotes the success of the Academy Trust for the benefit of its pupils and their parents, the Department for Education and the Education and Skills Funding Agency as principal funders and regulators, its suppliers and local wider school community as a whole, and in doing so have given regard to (amongst other matters):

Our educational business relationships and community

With a highly committed and dedicated workforce, the Academy Trust takes great pride in listening to what our pupils, parents and local community want and continues to provide the level of education outcomes and results that they have come to expect. The Academy Trust continues to evolve and to adapt to the ever-changing educational environment, leading to the continued increase in the awareness of the Academy Trust's overall activities and educational performance.

As an educational focused charitable organisation, public benefit is also at the heart of all we do. The details in the "Objectives and Activities" and "Achievements and Performance" section of the Trustees' report above provide full details of the impact of our activities and our achievements for the year.

With respect to suppliers, the Academy Trust's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal commercial practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

The Academy Trust is also committed to contributing towards combating the threat of global warming by using energy efficient measures to reduce CO2 emissions throughout its buildings, facilities and operations.

Our stakeholders

In addition to our pupils, parents, suppliers and wider local community, the Trustees also recognise the importance of their relationship with the Department for Education (DfE) and the Education and Skills Funding Agency (ESFA), as principal funders, regulators and stakeholders. The Trustees are committed to the effective engagement with the DfE and the ESFA (and their representatives) are recognise that its success depends on the Trustees and senior management's ability to engage with them effectively and to work with them constructively, taking into account their guidance and best practice initiatives, whilst also working in line with the specific requirements of the Academy Trust's funding agreement and the Academies Financial Handbook.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Our people

The Academy Trust's key asset is its people. It employs over 90 staff, including casual workers, and it is only through the combined effort of this workforce, together with our supporters and volunteers, that we can change the lives of the children under our care. The Academy Trust encourages the involvement of all employees in decision making processes that impact on them directly and further details on our engagement with our people is detailed in the "Engagement with Employees (including Disabled Persons)" section of the Trustees' report above.

Our Members

The Trustees are committed and openly engaged with our Members through the active involvement of some Members as Trustees. The Members are actively engaged in understanding our strategy and vision for the future, our culture and ethos, our people and our educational performance and standards.

Maintaining a reputation for high standards

The Academy Trust has been in existence since April 2013, and is committed to continual improvement, which it achieves in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self-evaluation, data analysis and action planning. The Academy Trust also continually develops strategies to maintain and grow its pupil base.

The information in the "Achievements and Performance" section of the Trustees' report above provides full details of our achievements during the year and the standards of educational performance we have achieved for all our stakeholders.

We are aware that not all items on the School Development Plan have been achieved in full this year due to COVID-19. However, the school has maintained its positive relationships with both families and the local authority throughout. The school remained open during lockdown and provided additional support to all children during the school holidays. In addition the school has ensured that children unable to attend school have received educational input. The school was well prepared for a full opening in September.

Financial review

a. Review of year

The majority of the Academy Trust'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 year ended 31 August 2020 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA and other organisations / funders and these are shown as restricted fixed asset funds in the Statement of Financial Activities. The balance of the restricted fixed asset fund is reduced by the depreciation charges on the assets acquired using these funds.

For the year ended 31 August 2020, the Academy Trust's total income (excluding capital grants) was £2,507,040 (2019: £2,465,009) while the total expenditure (excluding depreciation and LGPS FRS102 pension cost charges) was £2,545,192 (2019: £2,362,122), resulting in a net deficit for the year of £38,152 (2019: surplus £102,887).

This deficit, which had been planned for by the Trustees due to much needed investment in the Academy's facilities and educational resources and due to the increased staff related costs incurred during the year, has been funded from the Academy Trust's reserves. The balance of reserves at 31 August 2020, excluding the restricted fixed asset funds and LGPS liability fund, was £874,786 (2019: £935,054).

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

a. Review of the year (continued)

We kept a record of additional costs incurred due to the COVID-19 outbreak and were able to claim from the ESFA's emergency fund. We maintained staff salaries throughout the outbreak, even if they were not working their contracted hours.

The net book value of fixed assets at 31 August 2020 were £2,251,946. The fixed assets held by the Academy Trust are used exclusively for providing education and associated support services to the pupils of the Academy Trust.

Included within the Academy's balance sheet at year end is a defined benefit pension scheme liability of £1,886,000 (2019: £1,286,000), which arises from the deficit in the Local Government Pension Scheme ("LGPS") that is attributable to the Academy. Further details regarding the deficit in the LGPS at 31 August 2020 are set out in note 21 to the financial statements.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

b. Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of reserves should be approximately 10% of total income (approximately £250,000). This is to provide sufficient working capital to cover

- delays between spending and receipts of grants
- unexpected emergencies such as urgent maintenance, structural defects
- long term teacher absence/support staff absence, or (in the worst case scenario) the closure of the Academy Trust.
- improvements to the security of the school site.
- improvements to outside space for older pupils.
- improving school vehicles

The Headteacher can approve expenditure from reserves, but this will only be for fixed costs not related to day-to-day running costs of the school. For example, SaLT for one term. These costs will be reported to the Resources Committee on a termly basis.

Should the reserves fall below the agreed amount, then reserves will be monitored by the Chair of Trustees on a monthly basis

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

b. Reserves policy (continued)

The Academy Trust's current level of reserves at 31 August 2020 is £874,786 (2019: £935,054), of which £161,621 (2019: £188,517) is free reserves (that is, total funds less the amount held in total restricted funds).

Although the current level of free reserves is above the target level identified above, the Trustees expectation is that these reserves will be utilised over the next few years to fund:-

- Retention of key staff in light of the increasing cost pressures in future years.
- Security of premises.
- Development of outdoor play space.
- Replacement of school vehicles.
- Extended schools provision.

The value of the restricted fixed asset fund at 31 August 2020 is £2,275,449 (2019: £2,360,262), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2020 of £1,886,000, which represents the deficit in the LGPS at the balance sheet date. The effect of the LGPS deficit is that Academy Trust is required to make accelerated pension contributions over a number of years in order to fund the deficit. These accelerated pension contributions will be funded from the Trust's annual recurring income, which may significantly impact its ability to continue to deliver its educational outcomes with the available public funding it receives. The Trustees have noted however that the Government has provided a guarantee that in the event of an Academy closure, any outstanding LGPS liabilities would be met by the Department for Education.

c. Investment policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. On a daily basis this is achieved by automatic transfer of surplus funds to an overnight deposit account with the Academy Trust's principal bankers. Where cash flow allows, sums in excess of working capital requirements may be invested on deposit for extended periods with the Academy Trust's principal bankers or other reputable financial institutions.

d. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register.

Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

d. Principal risk and uncertainties (continued)

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

The risks to the school's curriculum recovery following COVID-19 largely relate to the full-time attendance of pupils and the school's ability to provide educational provision if all pupils are in attendance:

- The potential impact of pupils being diagnosed with COVID-19 are significant, both for the pupil concerned but also the impact on the school community. In simple terms, such an outbreak would impact on the individual pupil and their bubble. This would have an obvious negative impact on attendance. In addition, the level of parental/carer anxiety is heightened due to the higher incidence of pupil health needs and medical vulnerability. The impact of this anxiety, in the event of a confirmed case of COVID-19, on pupil attendance could be expected to be considerable.
- The ability to provide full-time educational provision is dependent on maintaining full staffing levels. As a special school, levels of staffing and staff/pupil ratios at the school are considerably higher than in mainstream schools. The school is currently operating in a number of isolated bubbles and the capacity of senior managers to move staff to cover either "normal" or COVID-19 related staff absence is considerably more limited than normal. This will undoubtedly have an impact on the school's recovery. Indeed, the headteacher reported that there have already been incidences where provision has been reduced due to the inability of the school to cover staff absence.
- The final risk is a combination of the above. If a staff member were to have a confirmed case of COVID-19 there would be an impact on both the school's ability to staff certain bubbles within the school, an impact on pupil attendance to those bubbles and a potential further negative impact on pupil attendance through (naturally) heightened parental/carer anxiety.

The school has a contingency plan for any future local outbreak:

- The school has undertaken considerable work in relation to their risk assessment and this is reviewed and updated every week.
- The headteacher is proactive in her approach to the pandemic and provision at the school. She has ensured that staff morale has been maintained at a very high level throughout the pandemic and lockdown period. The school culture and underlying values have had a significant impact on staff morale. Importantly the headteacher has maintained highly effective and regular communication with staff, maintained a clear focus of safety and as a result staff have felt empowered.
- The school is confident, from practical experience gained between March 2020 and July 2020, that, in the event of a future local outbreak, they can adapt their current provision and make effective educational provision for all pupils.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

d. Principal risks and uncertainties (continued)

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. Families have been under great stress, which has led to an increase in safeguarding incidents and general workload. We have had to work creatively to support children that we are not seeing.

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA and Local Authority. In the year, approximately 99% of the Academy Trust's income was ultimately Government funded. Whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms, particularly in light continuing changes in to the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs association with both the Teachers' Pension Scheme and the Local Government Pension Scheme, and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future.

The Trustees examine the financial health of the Academy Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees and Finance and Resources Committee meetings. Although there have been additional costs relating to COVID-19 there are some costs which are reduced. These are all monitored on a monthly basis.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

We are aware that due to COVID-19 some people may not want to work in an educational setting at the moment which may hinder our ability to recruit to vacancies.

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Despite additional workloads due to the COVID-19 outbreak governance and management have not been compromised.

Fraud and mismanagement of funds

The Academy Trust has engaged Cooper Parry to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

d. Principal risks and uncertainties (continued)

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Despite finance staff working remotely for part of the year, finance procedures were adhered to.

Fundraising

The Academy Trust has not undertaken any material fundraising activities during the year ended 31 August 2020.

Plans for future periods

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it is into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy Trust's plans for future periods are:

- To continue to be OFSTED outstanding.
- To ensure financial stability for the school over the next 3-year period.
- Over the next 3 – 5 years, to grow the capacity of the senior leadership and that of the governing body.
- To continue to explore the strategic development of the school taking advantage of its academy status to extend the offer to pupils.
- Ensure operational direction for after school and holiday clubs.
- To ensure school pupils, families and staff work through 2020/2021 safely, confidently, and resiliently.
- Continue to update the school's risk assessment and contingency arrangements in response to school events and changes in local and national guidance.
- Manage arrangements for the health and safety of pupils and staff, particularly those at high risk, as the pandemic progresses.
- Continue to ensure timely and effective communication with all school stakeholders.
- Respond to ongoing issues of professional fatigue, anxiety, and resilience across all members of the school staff team and wider community.
- Ensure any gaps in curriculum provision or pupil progress/outcomes resulting from COVID-19 pandemic are successfully addressed using a recovery curriculum/teaching and learning.
- Continue to maintain the highest possible standards of provision and outcomes for pupils at the school.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Plans for future periods (continued)

- Enhance the depth of expertise in the teaching and learning of PSHE as an essential area and ensure school is meeting RSE 2020 requirements.
- Improve the functional numeracy skills of pupils in key stages 3,4 and 5.
- Develop purposeful and measurable work skills for Key stage 4 and 5 pupils.
- Develop additional strategies to ensure that pupils identified by the school as requiring additional intervention due to their behaviour (List B pupils) make levels of progress equal to their peers.
- To ensure the school completes its recovery assessment and subsequent curriculum in a timely manner.
- Ensure section 175 safeguarding audit update takes place before February 2021 and any actions resulting from this are completed in a timely manner.
- Ensure online safety is taught systematically (to pupils for whom it is relevant) and their parents have a good understand of the issues.

School to invite external review of its practices in meeting pupils' health and care needs and any actions from this are completed in a timely manner.

Funds held as custodian on behalf of others

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

The Academy does however hold Post 16 Bursary Funds on behalf of the ESFA, which are distributed to students as required and in line with the terms and conditions of the funds.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, Cooper Parry Group Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 22 January 2021 and signed on its behalf by:



A D Phillips
Deputy Chair of Trustees

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Glyne Gap 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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and Competency Framework for Governance.

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Glyne Gap 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 3 times during the year. During this exceptional year it was necessary to cancel one Board meeting and one Resources meeting. The Resources meeting was due to take place on the day that schools were put into lockdown. Paperwork has already been prepared and distributed to committee members and no issues were raised. The Headteacher, Chair of Trustees and Vice-chair of Trustees have increased contact in during this period to discuss a range of issues including Finances of the school. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Cordell	2	3
F Hall	2	3
T Newstead	3	3
A D Phillips	3	3
K Prawanna	3	3
M Rowland	2	3
S D Lamb	0	0

The Board of Trustees reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust.

Resources Committee

The Resources Committee is a sub-Committee of the Board of Trustees. Its purpose is to provide oversight, guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust. This Committee also acts as the Academy Trust's Audit Committee, where its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value for money framework.

Attendance at meetings of the Resources Committee during the year was as follows:

Trustee	Meetings attended	Out of a possible
T Newstead	2	2
A D Phillips	2	2
F Hall	1	2
K Prawanna	2	2

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The key issue dealt with by the Resource Committee during the year was the review of the Academy Trust's 3 and 5 year financial forecasts and the actions required to address the variance between income and expected expenditure in future years. Due to COVID-19, the meeting scheduled for Term 5 was cancelled but paperwork was prepared as normal and presented to the Board of Trustees. The scheme of delegation was unaffected.

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 Academy Trust's use of its resources has provided good value for money during each academic period, 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 value for money during the year by:

- Continuing to deliver outstanding teaching and learning, this was achieved within the GAG and Top Up funding allocated to the Academy Trust.
- Ensuring that we have rigorous systems for all staff appointments.
- Good internal financial controls which are externally moderated.
- Encouraging robust challenges at all meetings.

COVID-19 has not impacted significantly on our ability to achieve value for money, the only instance may have been in the procurement of PPE and sanitising products where we had to purchase from whichever supplier had stock.

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 the Academy Trust's 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 Glyne Gap School for the period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework (continued)

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 Resources 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 not to appoint an internal auditor. However, the Trustees have appointed Cooper Parry Group Limited, to perform a program of additional internal reviews and checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current year covered a review of month end procedures, including management reporting.

On an annual basis, the external auditors report to the Board of Trustees through the Resources Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. The auditor has delivered their program of work during the year ended 31 August 2020 as planned. While no significant internal control weaknesses were identified from the work completed, the Trustees and management have developed an action plan to continue to strengthen and improve internal controls over the next 6 months.

As detailed above, the Trustees have previously appointed the external auditors to undertake the internal scrutiny services for the Academy Trust. As a result of the changes introduced by the Financial Reporting Council's revised Ethical Standard for Auditors, the Trustees, via the Resources Committee, will be appointing another organisation to undertake the internal scrutiny work for the 2020/21 academic year onwards.

Review of effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors;
- the work of the internal reviewer;
- the financial management and governance self-assessment process, including the School Resource Management Self-Assessment Tool; and
- 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 Resources Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of Trustees on 22 January 2021 and signed on their behalf by:



A D Phillips
Deputy Chair of Trustees



K Prawanna
Accounting Officer

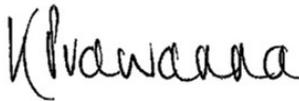
GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Glyne Gap School 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 2019.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2019.

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



K Prawanna
Accounting Officer

Date: 22 January 2021

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 22 January 2021 and signed on its behalf by:



A D Phillips
Deputy Chair of Trustees

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GLYNE GAP SCHOOL

Opinion

We have audited the financial statements of Glyne Gap School (the 'Academy Trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy 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 financial statements are authorised for issue.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GLYNE GAP SCHOOL (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GLYNE GAP SCHOOL (CONTINUED)

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy 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 Academy Trust or to cease operations, or have no realistic alternative but to do so.

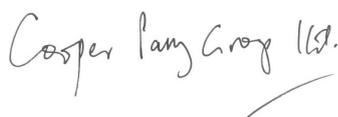
Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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



Simon Atkins FCA (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants

Registered Auditors

Park View

One Central Boulevard

Blythe Valley Park

Solihull

West Midlands

B90 8BG

29 January 2021

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GLYNE GAP SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

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

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

Respective responsibilities of Glyne Gap School's accounting officer and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure. The work undertaken to draw our conclusions included:

- A review of internal control policies and procedures implemented by the Academy Trust and an evaluation of their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;
- A review of the minutes of meetings of the Directors, relevant sub-committees and Local Governing Bodies and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including a review of the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Cooper Parry Group Limited

Park View
One Central Boulevard
Blythe Valley Park
Solihull
West Midlands
B90 8BG

Date: 29 January 2021

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	25,276	880	7,618	33,774	32,063
Charitable activities	4	(1,992)	2,479,362	-	2,477,370	2,445,743
Other trading activities	5	1,170	-	-	1,170	5,736
Investments	6	2,344	-	-	2,344	2,731
Total income		<u>26,798</u>	<u>2,480,242</u>	<u>7,618</u>	<u>2,514,658</u>	<u>2,486,273</u>
Expenditure on:						
Charitable activities	7	31,578	2,808,614	114,546	2,954,737	2,642,871
Total expenditure		<u>31,578</u>	<u>2,808,614</u>	<u>114,546</u>	<u>2,954,738</u>	<u>2,642,871</u>
Net expenditure		<u>(4,780)</u>	<u>(328,372)</u>	<u>(106,928)</u>	<u>(440,080)</u>	<u>(156,598)</u>
Transfers between funds	16	(22,115)	-	22,115	-	-
Net movement in funds before other recognised gains/(losses)		<u>(26,895)</u>	<u>(328,372)</u>	<u>(84,813)</u>	<u>(440,080)</u>	<u>(156,598)</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	21	-	(305,000)	-	(305,000)	(656,000)
Net movement in funds		<u>(26,895)</u>	<u>(633,372)</u>	<u>(84,813)</u>	<u>(745,080)</u>	<u>(812,598)</u>
Reconciliation of funds:						
Total funds brought forward	16	188,517	(539,463)	2,360,262	2,009,316	2,821,914
Net movement in funds	16	(26,895)	(633,372)	(84,813)	(745,080)	(812,598)
Total funds carried forward		<u>161,622</u>	<u>(1,172,835)</u>	<u>2,275,449</u>	<u>1,264,236</u>	<u>2,009,316</u>

The notes on pages 28 to 49 form part of these financial statements.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08410002

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	13		2,251,946		2,338,998
			2,251,946		2,338,998
Current assets					
Debtors	14	20,575		130,141	
Cash at bank and in hand		1,064,041		991,071	
		1,084,616		1,121,212	
Creditors: amounts falling due within one year	15	(186,327)		(164,894)	
Net current assets			898,289		956,318
Total assets less current liabilities			3,150,235		3,295,316
Net assets excluding pension liability			3,150,235		3,295,316
Defined benefit pension scheme liability	21	(1,886,000)		(1,286,000)	
Total net assets			1,264,235		2,009,316
Funds of the Academy Trust					
Restricted funds:					
Fixed asset funds	16	2,275,449		2,360,262	
Restricted income funds	16	713,165		746,537	
Pension reserve	16	(1,886,000)		(1,286,000)	
Total restricted funds	16		1,102,614		1,820,799
Unrestricted income funds	16		161,621		188,517
Total funds			1,264,235		2,009,316

The financial statements on pages 25 to 49 were approved by the Trustees, and authorised for issue on 22 January 2021 and are signed on their behalf, by:



A D Phillips
Deputy Chair of Trustees

The notes on pages 28 to 49 form part of these financial statements.

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	18	90,502	112,970
Cash flows from investing activities			
	19	(17,532)	9,330
Change in cash and cash equivalents in the year		72,970	122,300
Cash and cash equivalents at the beginning of the year		991,071	868,771
Cash and cash equivalents at the end of the year	20	1,064,041	991,071

The notes on pages 28 to 49 form part of these financial statements

GLYNE GAP SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust 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.

1.3 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.4 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 funders where the asset acquired or created is held for a specific purpose.

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

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FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **Donations**

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

• **Other income**

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

1.6 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.

Charitable activities and Governance costs are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy appointed to charitable activities.

• **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.

All resources expended are inclusive of irrecoverable VAT.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Interest receivable

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

1.8 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a reducing balance basis over its expected useful life.

Depreciation is provided on the following bases:

Leasehold land	- not depreciated
Long-term leasehold buildings	- 2% straight line
Fixtures and fittings	- 20% straight line
Plant and equipment	- 25% straight line
Computer equipment	- 25% straight line

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 incorporating Income and Expenditure Account.

1.9 Operating leases

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

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at bank and in hand

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.12 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Pensions

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

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

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

1.14 Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 24.

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NOTES TO THE FINANCIAL STATEMENTS
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1. Accounting policies (continued)

1.15 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Critical areas of judgment:

The classification of expenditure between restricted and unrestricted funds is a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	25,276	-	-	25,276
Capital grants and other capital income	-	880	7,618	8,498
	<u>25,276</u>	<u>880</u>	<u>7,618</u>	<u>33,774</u>
	<u>25,276</u>	<u>880</u>	<u>7,618</u>	<u>33,774</u>
	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	9,919	-	-	9,919
Capital Grants	-	880	21,264	22,144
	<u>9,919</u>	<u>880</u>	<u>21,264</u>	<u>32,063</u>
	<u>9,919</u>	<u>880</u>	<u>21,264</u>	<u>32,063</u>

4. Funding for the Academy Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
General Annual Grant from ESFA	-	1,106,560	1,106,560
Other ESFA/DfE grants	-	79,744	79,744
	<u>-</u>	<u>1,186,304</u>	<u>1,186,304</u>
	<u>-</u>	<u>1,186,304</u>	<u>1,186,304</u>
Other government grants			
Local Authority grants	-	1,287,262	1,287,262
Local Authority grants	(1,992)	-	(1,992)
	<u>(1,992)</u>	<u>1,287,262</u>	<u>1,285,270</u>
	<u>(1,992)</u>	<u>1,287,262</u>	<u>1,285,270</u>
Exceptional government funding			
Coronavirus exceptional support	-	5,796	5,796
	<u>(1,992)</u>	<u>2,479,362</u>	<u>2,477,370</u>
	<u>(1,992)</u>	<u>2,479,362</u>	<u>2,477,370</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. Funding for the Academy Trust's educational operations (continued)

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The funding received for coronavirus exceptional support covers £5,796 of PPE and other costs reclaimed. These costs are included in notes 7 below as appropriate.

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DfE/ESFA grants			
General Annual Grant	-	1,168,330	1,168,330
Other ESFA/DfE grants	-	78,283	78,283
	-	1,246,613	1,246,613
Local Authority Income			
Local Authority grants	-	1,166,500	1,166,500
	-	1,166,500	1,166,500
Other income			
Local Authority grants	32,630	-	32,630
	32,630	2,413,113	2,445,743

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Other income	1,170	1,170

	Unrestricted funds 2019 £	Total funds 2019 £
Other income	5,736	5,736

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Bank interest	2,344	2,344
	2,344	2,344

	Unrestricted funds 2019 £	Total funds 2019 £
Bank interest	2,731	2,731
	2,731	2,731

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Educational operations:				
Direct costs	1,877,106	-	137,523	2,014,629
Allocated support costs	560,416	202,285	177,407	940,108
	2,437,522	202,285	314,930	2,954,737

Of the total expenditure of £2,954,737 for the year ended 31 August 2020, £31,578 related to unrestricted funds, £2,808,614 related to restricted funds and £114,546 related to restricted fixed asset funds.

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Educational operations:				
Direct costs	1,735,425	-	46,082	1,781,507
Allocated support costs	415,718	417,931	27,715	861,364
	2,151,143	417,931	73,797	2,642,871

Of the total expenditure of £2,642,871 for the year ended 31 August 2019, £38,124 related to unrestricted funds, £2,498,998 related to restricted funds and £115,749 related to restricted fixed asset funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities

	Direct costs 2020 £	Support costs 2020 £	Total funds 2020 £
Educational operations	2,014,629	940,108	2,954,737

	Direct costs 2019 £	Support costs 2019 £	Total funds 2019 £
Educational operations	1,781,507	861,364	2,642,871

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
FRS102 LGPS net pension interest cost	27,000	15,000
Staff costs	560,416	415,717
Depreciation	114,546	115,749
Technology costs	21,949	11,968
Premises costs	192,720	211,023
Other support costs	18,422	75,797
Governance costs	5,055	16,110
	<u>940,108</u>	<u>861,364</u>

Included in other support costs are legal costs of £725 (2019: £600) relating to other legal matters.

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Net expenditure

Net expenditure for the year includes:

	2020 £	2019 £
Operating lease rentals	2,719	2,273
Depreciation of tangible fixed assets	114,546	115,749
Fees paid to auditors for:		
- audit	7,350	7,000
- other services	5,950	4,400
	5,950	4,400

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,573,687	1,431,996
Social security costs	125,864	119,432
Pension costs	610,192	434,959
	2,309,743	1,986,387
Agency staff costs	127,779	164,756
	2,437,522	2,151,143

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	15	17
Administration and support	66	61
Management	4	4
	85	82

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
	1	-

The above employee participated in the Teachers Pension Scheme. During the year ended 31 August 2019 pension contributions for this member of staff totalled £21,346 (2019: £13,994).

d. Key management personnel

The key management personnel of the Academy Trust comprise the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer National Insurance contributions) received by the key management personnel for their services to the Academy Trust during the year was £375,027 (2019 - £343,594).

11. Trustees' and Officers' insurance

The Academy Trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

12. 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 Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
K Prawanna, Headteacher	Remuneration	90,000 - 95,000	80,000 - 85,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000
F Hall	Remuneration	50,000 - 55,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000

During the year ended 31 August 2020, expenses totalling £226 (2019 - £1,190) were reimbursed to 2 Trustees (2019 - 2).

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Furniture and equipment £	Total £
Cost or valuation					
At 1 September 2019	2,478,265	130,242	64,363	248,484	2,921,354
Additions	-	-	-	27,494	27,494
At 31 August 2020	<u>2,478,265</u>	<u>130,242</u>	<u>64,363</u>	<u>275,978</u>	<u>2,948,848</u>
Depreciation					
At 1 September 2019	296,758	101,018	44,148	140,432	582,356
Charge for the year	49,565	25,273	8,365	31,343	114,546
At 31 August 2020	<u>346,323</u>	<u>126,291</u>	<u>52,513</u>	<u>171,775</u>	<u>696,902</u>
Net book value					
At 31 August 2020	<u><u>2,131,942</u></u>	<u><u>3,951</u></u>	<u><u>11,850</u></u>	<u><u>104,203</u></u>	<u><u>2,251,946</u></u>
At 31 August 2019	<u><u>2,181,507</u></u>	<u><u>29,224</u></u>	<u><u>20,215</u></u>	<u><u>108,052</u></u>	<u><u>2,338,998</u></u>

14. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	3,005	5,572
Other debtors	1,286	91,474
Prepayments and accrued income	13,464	11,372
VAT recoverable	2,820	21,723
	<u>20,575</u>	<u>130,141</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	52,614	42,599
Other taxation and social security	34,987	30,183
Other creditors	51,333	40,982
Accruals and deferred income	47,393	51,130
	186,327	164,894
	186,327	164,894
	2020 £	2019 £
Deferred income at 1 September 2019	33,495	45,407
Resources deferred during the year	30,872	33,495
Amounts released from previous periods	(33,495)	(45,407)
	30,872	33,495
	30,872	33,495

Deferred income relates to structural maintenance grants and free school meal grants which will be utilised in the year ending 31 August 2021.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General funds	188,517	26,797	(31,578)	(22,115)	-	161,621
Restricted general funds						
General Annual Grant (GAG)	746,537	1,106,560	(1,139,932)	-	-	713,165
Other DfE/ESFA grants	-	85,540	(85,540)	-	-	-
Local Authority grants	-	1,287,262	(1,287,262)	-	-	-
Other restricted income	-	880	(880)	-	-	-
Pension reserve	(1,286,000)	-	(295,000)	-	(305,000)	(1,886,000)
	<u>(539,463)</u>	<u>2,480,242</u>	<u>(2,808,614)</u>	<u>-</u>	<u>(305,000)</u>	<u>(1,172,835)</u>
Restricted fixed asset funds						
Tangible fixed assets	2,338,998	-	(114,546)	27,494	-	2,251,946
Capital grants and funding	21,264	7,618	-	(5,379)	-	23,503
	<u>2,360,262</u>	<u>7,618</u>	<u>(114,546)</u>	<u>22,115</u>	<u>-</u>	<u>2,275,449</u>
Total Restricted funds	<u>1,820,799</u>	<u>2,487,860</u>	<u>(2,923,160)</u>	<u>22,115</u>	<u>(305,000)</u>	<u>1,102,614</u>
Total funds	<u><u>2,009,316</u></u>	<u><u>2,514,657</u></u>	<u><u>(2,954,738)</u></u>	<u><u>-</u></u>	<u><u>(305,000)</u></u>	<u><u>1,264,235</u></u>

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

Restricted funds:

The General Annual Grant Fund (GAG) is used for the educational purposes in line with the Academy's objects and its funding agreement with the ESFA. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Other ESFA/DfE grants and Local Authority funding are all used in accordance with the restrictions of the individual grants or funding which are all for the provision of education to the pupils of the Academy Trust, with the high needs funding being used to provide specialist support for the children.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Statement of funds (continued)

The pension reserve represents the Local Government Pension Scheme deficit.

Fixed asset restricted funds:

Restricted fixed asset funds represent the investment in fixed assets, net of accumulated depreciation, and includes the value of fixed assets transferred to the Academy Trust on conversion of the Schools within the Academy Trust and the value of fixed assets transferred from academies joining the Trust in the current or previous years, together with any capital expenditure funded from restricted or unrestricted funds. Unspent capital grants and capital income are also held in this fund and their use is restricted to the capital projects for which the grant awarded.

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General funds	191,170	51,016	(38,124)	(15,545)	-	188,517
Restricted general funds						
General Annual Grant (GAG)	503,906	1,168,330	(925,699)	-	-	746,537
Other DfE/ESFA grants	1,880	137,530	(139,410)	-	-	-
Local Authority grants	150,756	1,107,253	(1,258,009)	-	-	-
Other restricted income	-	880	(880)	-	-	-
Pension reserve	(465,000)	-	(165,000)	-	(656,000)	(1,286,000)
	<u>191,542</u>	<u>2,413,993</u>	<u>(2,488,998)</u>	<u>-</u>	<u>(656,000)</u>	<u>(539,463)</u>
Restricted fixed asset funds						
Tangible fixed assets	1,523,282	-	(115,749)	931,465	-	2,338,998
Assets funded from capital grants and other income	894,965	-	-	(894,965)	-	-
Swimming pool fund	20,955	-	-	(20,955)	-	-

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16. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Capital grants and funding	-	21,264	-	-	-	21,264
	<u>2,439,202</u>	<u>21,264</u>	<u>(115,749)</u>	<u>15,545</u>	<u>-</u>	<u>2,360,262</u>
Total Restricted funds	<u>2,630,744</u>	<u>2,435,257</u>	<u>(2,604,747)</u>	<u>15,545</u>	<u>(656,000)</u>	<u>1,820,799</u>
Total funds	<u><u>2,821,914</u></u>	<u><u>2,486,273</u></u>	<u><u>(2,642,871)</u></u>	<u><u>-</u></u>	<u><u>(656,000)</u></u>	<u><u>2,009,316</u></u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	2,251,946	2,251,946
Current assets	161,622	899,491	23,503	1,084,616
Creditors due within one year	-	(186,326)	-	(186,326)
Provisions for liabilities and charges	-	(1,886,000)	-	(1,886,000)
Total	<u><u>161,622</u></u>	<u><u>(1,172,835)</u></u>	<u><u>2,275,449</u></u>	<u><u>1,264,236</u></u>

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	2,338,998	2,338,998
Current assets	188,518	911,433	21,264	1,121,215
Creditors due within one year	-	(164,896)	-	(164,896)
Provisions for liabilities and charges	-	(1,286,000)	-	(1,286,000)
Total	<u><u>188,518</u></u>	<u><u>(539,463)</u></u>	<u><u>2,360,262</u></u>	<u><u>2,009,317</u></u>

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(440,080)	(156,598)
Adjustments for:		
Depreciation charges	114,546	115,749
Capital grants	(7,618)	(22,144)
Dividends, interest and rents from investments	(2,344)	(2,731)
Defined benefit pension scheme cost less contributions payable	268,000	150,000
Defined benefit pension scheme finance cost	27,000	15,000
Decrease in debtors	109,567	12,744
Increase in creditors	21,431	950
Net cash provided by operating activities	90,502	112,970

19. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	2,344	2,731
Purchase of tangible fixed assets	(27,494)	(15,545)
Capital grants from DfE Group	7,618	22,144
Net cash (used in)/provided by investing activities	(17,532)	9,330

20. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,064,041	991,071
Total cash and cash equivalents	1,064,041	991,071

21. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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21. Pension commitments (continued)

Contributions amounting to £41,377 were payable to the schemes at 31 August 2020 (2019 - £34,330) and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

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

The employer's pension costs paid to TPS in the year amounted to £123,049 (2019 - £92,106).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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.

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21. Pension commitments (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £282,000 (2019 - £245,000), of which employer's contributions totalled £223,000 (2019 - £194,000) and employees' contributions totalled £ 59,000 (2019 - £51,000). The agreed contribution rates for future years are 22.9% per cent for employers and 5.5% to 12.5% per cent for employees.

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

Principal actuarial assumptions

	2020	2019
Rate of increase in salaries	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9
Inflation assumption (CPI)	2.2	2.3

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

	2020	2019
<i>Retiring today</i>		
Males	21.6	21.2
Females	23.9	23.5
<i>Retiring in 20 years</i>		
Males	22.5	22.1
Females	25.3	24.9

Sensitivity analysis

Increase in the reported value of defined benefit obligations:

	2020 £000	2019 £000
Discount rate -0.5%	774	666
Salary increase rate +0.5%	76	81
CPI rate +0.5%	685	573

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21. Pension commitments (continued)

The Academy Trust's share of the assets in the scheme was:

	At 31 August 2020 £	At 31 August 2019 £
Equities	2,751,000	2,282,000
Corporate bonds	632,000	761,000
Property	298,000	311,000
Cash and other liquid assets	37,000	104,000
Total market value of assets	<u><u>3,718,000</u></u>	<u><u>3,458,000</u></u>

The actual return on scheme assets was £22,000 (2019 - £210,000).

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

	2020 £	2019 £
Current service cost	(491,000)	(320,000)
Past service cost	-	(24,000)
Interest income	68,000	88,000
Interest cost	(95,000)	(103,000)
Total amount recognised in the Statement of Financial Activities	<u><u>(518,000)</u></u>	<u><u>(359,000)</u></u>

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

	2020 £	2019 £
Opening defined benefit obligation	4,743,000	3,509,000
Current service cost	491,000	320,000
Interest cost	95,000	103,000
Employee contributions	59,000	51,000
Actuarial losses	259,000	778,000
Benefits paid	(43,000)	(42,000)
Past service costs	-	24,000
At 31 August	<u><u>5,604,000</u></u>	<u><u>4,743,000</u></u>

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21. Pension commitments (continued)

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

	2020 £	2019 £
Opening fair value of scheme assets	3,457,000	3,044,000
Interest income	68,000	88,000
Actuarial (losses)/gains	(46,000)	122,000
Employer contributions	223,000	194,000
Employee contributions	59,000	51,000
Benefits paid	(43,000)	(42,000)
At 31 August	3,718,000	3,457,000

22. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Within 1 year	2,227	2,719
Between 1 and 5 years	1,901	3,750
Total	4,128	6,469

23. Members' liability

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

24. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ended 31 August 2019, the Trust received £9,353 (2019: £7,684) and disbursed £9,353 (2019: £20,044) from the fund. An amount of £Nil (2019: £Nil) is included in other creditors relating to undistributed funds that are repayable to ESFA.

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25. 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 12.