

Company Registration No. 08063334 (England and Wales)

**EPPLETON ACADEMY PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

# EPPLETON ACADEMY PRIMARY SCHOOL

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# EPPLETON ACADEMY PRIMARY SCHOOL

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

B Johnson  
D Wallace  
I Wren (resigned 10th October 2019)  
C Richardson (appointed 10th October)  
J Park (appointed 10th October)  
E Hagan (appointed 10th October)

### Trustees

I Wren (Chair - resigned 12th September 2019)  
M A Haswell (Vice Chair - temporary from 18th October 2019)  
D E Wallace (Vice Chair - resigned 11th February 2019)  
S James (Staff - resigned 23rd May 2019)  
R Chapman (Parent)  
C M Webb (Parent)  
K Bushby (Headteacher)  
J Hannon (Co-opted)  
E Hagan (Chair - appointed 10th October 2019)  
J Rowell (Staff - resigned 20th March 2019)  
L Jackson (Staff)  
L Quinn-Briton (Co-opted)  
S A Parkin (Staff - resigned 29th October 2018)  
S Ferguson (appointed 18 October 2018 )

### Senior management team

- Headteacher	K Bushby
- Deputy Headteacher	L Jackson
- Business Manager	S Parkin (resigned 29th October 2018)
- Business Manager	J Bainbridge (appointed 4th February 2019)

### Company secretary

S A Parkin (resigned 29th October 2018)  
J Bainbridge (appointed 4th February 2019)

### Company registration number

08063334 (England and Wales)

### Registered office

Church Road  
Hetton le Hole  
Houghton le Spring  
Tyne & Wear  
DH5 9AJ

### Independent auditor

Baldwins Audit Services  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

### Bankers

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

# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Solicitors**

BHP Law LLP  
Gloucester House  
72 Church Road  
Stockton on Tees  
TS18 1TW

# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **TRUSTEES' REPORT**

### ***FOR THE YEAR ENDED 31 AUGUST 2019***

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

The trust currently operates an academy for pupils aged 3 to 11 years, including a nursery class, serving a catchment area in the Coalfields of Sunderland, mainly in the Eppleton and Hetton area. It has a pupil capacity of 210, plus 26 part-time equivalent nursery places and had a roll of 176 in the school census in January 2019.

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

##### Constitution

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

The members act as the trustees for the charitable activities of Eppleton Academy Primary School and are also the trustees of the Charitable Company for the purposes of company law. The Charitable Company is known as Eppleton Academy Primary School.

Details of the trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on the previous page.

##### 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 £10.00, for the debts and liabilities contracted before they ceased to be a member (as required in the Eppleton Academy Primary School's funding agreement).

##### Trustees' indemnities

Every trustee of the Eppleton Academy Primary School shall be indemnified out of the assets of Eppleton Academy Primary School against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour of or which they are acquitted or in connection with any application in which relief is granted by them by the court from liability for negligence, breach of duty or breach of trust in relation to the affairs of Eppleton Academy Primary School.

##### Method of recruitment and appointment or election of trustees

The initial members of Eppleton Academy Primary School were nominated by the governing body of the predecessor school, Eppleton Primary School.

In accordance with Article 12, Eppleton Academy Primary School will comprise:

1. the signatories to the Memorandum;
2. up to 2 further persons (who may be trustees);
3. 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose;
4. the chairman of the trustees; and
5. any person appointed under Article 16.

In accordance with Article 16 of the company Memorandum and Articles document, members may unanimously agree to appoint such additional members as they think is appropriate and may unanimously agree to remove such additional members.

# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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### Policies and procedures adopted for the induction and training of trustees

Training and induction for newly appointed trustees is dependent upon their existing experience. Training may include charity, educational, legal and financial matters. All trustees tour the school initially and are made aware of any changes throughout the year. Trustees are actively encouraged to visit the school on a regular basis and speak at length to the Headteacher and Chair of Trustees in order to familiarise themselves with important issues appertaining to the academy prior to commencement of their role on the Governing Body and throughout their time as a governor. Link governors also have allotted time to speak to staff who lead their subject at least annually.

### Organisational structure

Eppleton Academy Primary School is split into three hierarchical levels: the members of the trust; the trustees (commonly referred to as governors) and the Senior Leadership Team (SLT), which includes the Headteacher, the Deputy Headteacher, the Leadership Teacher and two other senior teaching staff and the School Business Manager.

The members are responsible for ensuring that the governing body fulfils its statutory obligations in a manner that will allow the academy to fulfil its aims. They act as a critical friend, checking and balancing, to ensure that the governing body conduct the business of the academy in an effective and efficient manner, allowing the academy to achieve its objectives.

The trustees are responsible for setting general policy; adopting an annual plan and budget; monitoring the academy through use of budgets and making effective decisions about the direction of the academy, capital expenditure and senior staffing appointments.

The Senior Leadership Team (SLT) comprises of the Headteacher, the Deputy Headteacher and the School Business Manager. The SLT lead and manage the academy at an executive level, on a day to day basis, implementing the policies agreed by the trustees and reporting back to the governing body on a regular basis.

The Headteacher and trustees (initially the Chairman and Vice Chairman, as part of the Finance and Premises committee) are responsible for the authorisation of spending, within agreed budgets, through an agreed scheme of delegation, as noted in the Academy's Financial Handbook. They are also responsible for the appointment of staff through delegation to the Personnel Committee, where appropriate.

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

The headteacher undergoes an annual performance management review with governors on the Performance Management committee. Objectives from the previous year are reviewed and new targets agreed. Governors decide whether an incremental rise is appropriate if the Headteacher has met the objectives. This process is also repeated with senior leaders and all members of staff. The Headteacher makes any recommendations of incremental rises for all other staff members to the Personnel committee who make the final decision.

### Related parties and other connected charities and organisations

The academy does not work in federation with any other organisations, but continues to develop and maintain strong links with other schools and academic establishments, and other businesses and local organisations where partnerships assist in the achievement of the academy aims and objectives.

### **Objectives and activities**

#### Objects and aims

The principal objective and activity of the charitable company, in accordance with the articles of association, is the development, maintenance and operation of Eppleton Academy Primary School to provide a broad and balanced curriculum for pupils with a range of abilities between the ages of 3 and 11 years.

# EPPLETON ACADEMY PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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Underlying that principal objective lie a number of other objectives which assist academy staff in fulfilling the principal objective; this is summarised in the academy vision statement:

At Eppleton Academy Primary School, we strive to make sure that no door is closed to you because we want you to have a life full of choice.

- By striving for excellence, we instil in you our chosen values, **high aspirations** and academic ambition to be **outstanding achievers** and **successful, global citizens**.
- By working effectively in partnership with parents, we support and nurture you in a safe environment, providing a positive foundation to foster high aspirations and develop learning for life.
- We provide each of you with opportunities to **embrace challenges** through an exciting, creative and meaningful curriculum, supporting them on their individual learning journey.

#### Objectives, strategies and activities

The principal activity of the academy is, in accordance with Article 4 of the Memorandum and articles "to advance for the public benefit, education in the United Kingdom, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ('the Academy')." Eppleton Academy Primary School is committed to working with other agencies to provide the best outcomes for all children in school.

Eppleton Academy Primary School is a non-selective school and actively welcomes pupils of all abilities, including those pupils with special educational needs. The academy strives to offer all pupils access to a broad and balanced curriculum. The academy also maintains its wraparound care, available to all parents and carers, where children can be cared for before and after school for a nominal fee; this facility is also open to parents and carers for emergency 'crisis care', free of charge, if required.

The main objectives for each year are included in the School Improvement Plan. In setting objectives and planning activities for the Academy, the Trustees have considered the Charity Commission's general guidance on public benefit. This year's Action Plans were:

Improve the quality of teaching, so that it secures consistently strong progress from pupils, particularly the most able, those who are disadvantaged and those who have low prior attainment, by:

- making sure that assessment information is used to set work that challenges pupils at just the right level
- providing more frequent opportunities for pupils to develop their ability to explain and record their mathematical reasoning
- giving pupils increased chances to write at length and to practise writing for different audiences and purposes
- tackling weaknesses in pupils' basic skills of letter and number formation and spelling
- developing pupils' comprehension skills so that a higher proportion reach and exceed the expected standards in reading for their age.

# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **TRUSTEES' REPORT (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2019***

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Improve the quality of leadership and management, including in the early years, by ensuring that:

- middle and senior leaders are given frequent opportunities to check on and improve the quality of teaching
- middle and senior leaders have a clear understanding of the outcomes achieved by pupils and use this information to set ambitious and measurable targets for improvement in the areas they lead
- governors develop the skills they need to hold leaders to account for the performance of the school, including checking on the impact of external funding
- targets set to improve the performance of teachers are precisely focused on the outcomes achieved by their pupils, including disadvantaged pupils and the most able.

Improve provision in the early years so that more children, including boys, have the skills they need in readiness for Year 1, making sure that:

- teachers' assessments are an accurate reflection of what children can do independently
- adults have higher expectations of what children can achieve, particularly in writing and mathematics
- teachers plan activities which address gaps in children's knowledge, understanding and skills urgently and systematically
- opportunities for children to work independently, without an adult's support, including outdoors, are suitably challenging and purposeful.

#### Public benefit

The academy premises are used for community football and local Cadets. In addition, the Academy has hosted several face-to-face training days for courses for our parents, staff and the community in our Community and Conference Room. This facility is also in regular use by the community, as the academy continues to run a weekly mother and toddler group – Eppletots. The academy is also committed to fundraising for a range of charities throughout the year. The Trustees confirm they have complied with their duty to have due regard to the guidance on public benefit as published by the Charity Commission in exercising their powers or duties.



# EPPLETON ACADEMY PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### Strategic report

#### Achievements and performance

IMPACT				
GLD		2017	2018	2019
%	School	64	65	71
	National	69	71	72

Phonics Y1		2017	2018	2019
%	School	83	76	84
	National	81	82	82

Phonics Y2 Re-sit		2017	2018	2019
%	School	88	0	
	National			

End of KS1		2017		2018		2019	
%		Expected Standard+	Higher Standard	Expected Standard+	Higher Standard	Expected Standard+	Higher Standard
Reading	School	62	28	73	23	75	21
	National	76	25	75	26	75	26
Writing	School	62	14	68	18	71	17
	National	68	16	70	16	70	16
Maths	School	71	24	73	23	79	21
	National	75	21	76	22	76	22

2017 KS2 Attainment and Progress		% pupils achieving expected standard or above	% of pupils achieving the higher standard	Average Progress	Average Scaled Score
Reading	S	63	13	1.34 (Top 40%)	101.5
	N	71	25		104
Writing	S	69	13	3.14 (top 25%)	n/a
	N	76	18		n/a
Maths	S	63	9	0.67 (top 40%)	101.4
	N	75	23		104
GPS	S	72	9	-	102.9
	N	77	31		106
RWM	S	59	3	-	n/a
	N	61	9		n/a

# EPPLETON ACADEMY PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2018 KS2 Attainment and Progress		% pupils achieving expected standard or above	% of pupils achieving the higher standard	Average Progress	Average Scaled Score
Reading	S	72	31	2.14 (Top 25%)	103.2
	N	75	28		105
Writing	S	79	24	4.36 (top 5%)	n/a
	N	78	20		n/a
Maths	S	69	24	2.28 (top 25%)	103.1
	N	76	24		104.4
GPS	S	83	41	-	106.6
	N	78	34	-	106.2
RWM	S	62	13	-	n/a
	N	64	10	-	n/a

2019 KS2 Attainment and Progress		% pupils achieving expected standard or above	% of pupils achieving the higher standard	Average Progress	Average Scaled Score
Reading	S	72	28	1.23	103.7
	N	73	27		104
Writing	S	78	39	3.37	n/a
	N	78	20		n/a
Maths	S	89	22	3.24	106.4
	N	79	27		105
GPS	S	89	39	-	107.2
	N	78	36	-	106
RWM	S	72	17	-	n/a
	N	65	11	-	n/a

The academy continues its work to improve standards, which is an integral part of the purpose of the school.

The academy's most recent Ofsted inspection was completed on 6th July 2017 with the following outcomes:

Overall effectiveness	Requires improvement
Effectiveness of leadership and management	Requires improvement
Quality of teaching, learning and assessment	Requires improvement
Personal development, behaviour and welfare	Good
Outcomes for pupils	Requires improvement
Early years provision	Inadequate

The Academy is due Ofsted during the academic year 2019-20.

# EPPLETON ACADEMY PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Key Performance Indicators

The main financial performance indicators of the Trust relate to the management of spending against General Annual Grant (GAG) and the use of these funds for the benefit of the pupils in our academies. It is the Trust's policy that, in general terms, the income received in any one year is spent for the benefit of those children attending school during that academic year.

The board of trustees has a robust strategy in place to mitigate financial pressures faced by all academies during 2019-2020 and beyond. Budgets are closely monitored and spending is linked to Trust objectives and school improvement plans with the aim of improving outcomes for pupils.

Additional financial performance objectives set by Trustees that have been met during the period are as follows:

- to maintain an operating surplus to support the strategic development of the schools within the academy trust;
- to have at least 1 month's cash in hand as working balances to cover salaries and monthly expenditure.

### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the trust 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.

### Financial review

The majority of the academy's income is received from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Detail of all grants and income received can be found in the notes to the accounts.

### Reserves policy

The Trustees review the reserve levels annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees will ensure that the levels of reserves that can be carried forward at the end of the financial period will be in line with the guidance received from the DfE on the treatment of General Annual Grant (GAG) income and other grants.

Trustees agree that the level of reserves should be equivalent to at least one month's GAG to ensure that sufficient working capital is available to enable the academy to meet commitments and to cover any unforeseen delays between receipt of grants and spending. This also provides a cushion to deal with unexpected emergencies.

At 31 August 2019 the in-year deficit for the Trust was £48,072. The total value of reserves held at 31 August 2019 is £1,370,302 of which £1,211,908 relates to restricted funds not available for general purposes of the trust.

As the majority of the grant income is driven by pupil numbers, it is imperative that pupil numbers are, at least, maintained, and the academy roll numbers have sustained over the past two years, and we are actively seeking to continue to increase numbers over time by advertising the school to prospective parents.

### Investment policy

Acting on the advice of the academy bankers, trustees have agreed that the investment of funds should be targeted at accounts which provide a higher interest rate than a normal deposit account. After discussion about information provided by Lloyds Bank Business manager, trustees agreed to make investments in accounts with three different investment periods, on a rolling programme, ensuring that extra funds were available on a regular basis to deal with any unforeseen emergencies. These funds can be reinvested on a monthly basis, or trustees can decide whether the funds may be required for urgent necessities or contingencies. This investment has been restarted this year.

# EPPLETON ACADEMY PRIMARY SCHOOL

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Principal risks and uncertainties

The trustees have in place robust Risk Management processes which are monitored in conjunction with Local Authority personnel. The process has not highlighted any major risks, financial or otherwise. The last review was carried out during this accounting period.

However, it must be noted that trustees are not complacent in this respect and the Headteacher and School Business Manager are questioned by trustees at termly governing body meetings and Finance and Premises committee meetings in relation to financial risk management; minutes of the meetings are available. The Trust has worked closely with Sunderland Internal Audit Team as well as with Baldwin's Accountants to ensure financial systems are secure.

The academy has a robust system of Risk Management, which is monitored and reviewed on a regular basis by the School Business Manager and Headteacher and a member of the Local Authority Health and Safety team, as part of a Service Level Agreement (SLA). The Risk Management Plan is in place and reviewed and evaluated and reported to trustees. No major risks have been identified and those minor issues which may arise are dealt with as a priority.

### **Key Risks Identified during 2018-19**

**Financial** - the Trust has considerable reliance on continued Government funding through the ESFA. As with all schools, the majority of incoming monetary resources are 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. The trust will monitor the outcome of the current funding consultations regarding the National Funding Formula and Early Years funding streams with the aim of mitigating potential risks through forward planning. The biggest financial risk to the balance sheet moving forward will come from the LGPS (Local Government Pension Scheme), however the Trustees recognise that the LGPS pension deficit, set out in note 18, represents a significant liability. However, they consider that the academy is able to meet its liabilities in respect of paying the annual contributions for the foreseeable future, therefore the risk from this liability is minimised and as Parliament has agreed that in the event of closure the Department for Education would meet the LGPS liabilities, the risk from this liability is minimised as far as possible.

**Reputational**- the continuing success of the Trust is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that pupil success and achievement are closely monitored and reviewed, and that the education offered meets the needs of our local communities.

**Staffing** - the success of the Trust is reliant on the quality of its staff and 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. The Government's commitment relating to the introduction of a national living wage rising to £9.00 per hour by April 2020 poses a threat to the staffing structure of the trust over the coming years, however affects may be mitigated through the potential for shared staffing within a multi-academy trust structure.

**Fraud and mismanagement of funds**- The Trust has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

**Leadership and Management** - Strategies to develop leadership continue to be successful. The development of the leadership team will ensure that the outcomes for pupils and school improvement remain high moving forward.

# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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### **Fundraising**

The Academy occasionally holds fundraising events during the course of the academic year, for example coffee mornings and Summer/Christmas fairs. Occasionally these events are run in conjunction with our PTA. Fundraising activity conforms to the provisions of the Charities (Protection and Social Investment) Act 2016. Trustees are conscious that fundraising should reflect the Academy values and aim to ensure that monies raised are used for their stated purpose. Staff and volunteers involved in fundraising understand the boundaries they must work within to ensure that the Academy reputation is protected.

The academy has an open and accessible complaints procedure to be followed should concerns be raised regarding fundraising activities. The aim of the Academy when undertaking fundraising activity is to ensure that no member of the public is subjected to behaviour which is unreasonably intrusive or persistent, or involves putting undue pressure on a person to donate.

### **Plans for future periods**

Key areas identified for school improvement during 2019-20

- To improve teaching and learning to be consistently good across the academy and a larger proportion of lessons to be outstanding.
- To further develop the school curriculum, focussing on non-core subjects to ensure cohesion, progression and full national curriculum coverage.
- To raise standards in Reading, enabling a larger number of children to master their year group expectations, to ensure that we reach our school ambition that by the time children leave year 1, all children have secured early reading skills based on phonic decoding and to ensure by the time children complete year 6, all children are readers, reading with fluency, accuracy and understanding, with the resilience and confidence to tackle unfamiliar texts.
- To improve Mental Maths across the school, enabling children to have a range of strategies and have improved rapid recall of number facts.
- To ensure all SEND pupils can access the wider curriculum (foundation subjects) at a level appropriate to their age, phase and learning ability, ensuring activities are scaffolded, offer support but remain challenging.
- To ensure all staff are familiar with the new LA SEND ranges and can identify where individual pupils they are responsible for, lie within the ranges. They can identify and plan for the level of support required for individual pupils as stated in the range document. Staff to become aware of how the ranges and level of support are applied to the new whole school provision map in preparation for whole school pilot to begin January 2020 and go live September 2020.

### **Funds held as custodian trustee on behalf of others**

No assets or arrangements for safe custody and segregation are in place where the academy trust or its trustees are acting as custodian trustees.

# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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### **Auditor**

In so far as the trustees are aware:

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

A resolution proposing that Baldwins Audit Services be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2019 and signed on its behalf by:



**E Hagan**  
**Chair**

# EPPLETON ACADEMY PRIMARY SCHOOL

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, 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 Eppleton Academy Primary 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.

In pursuing that principal objective, the trustees, during the course of the academic year, held five full governing body meetings, two personnel meetings and six finance and premises committee meetings, as well as three Ofsted team meetings to update trustees on the areas of achievement, quality of teaching, behaviour and safety and leadership and management. Link trustees have also met with subject leaders in school in order to familiarise themselves with the progress of their subject.

### 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 14 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
I Wren (Chair - resigned 12th September 2019)	14	14
M A Haswell (Vice Chair - temporary from 18th October 2019)	13	14
D E Wallace (Vice Chair - resigned 11th February 2019)	0	0
S James (Staff - resigned 23rd May 2019)	4	6
R Chapman (Parent)	5	11
C M Webb (Parent)	6	8
K Bushby (Headteacher)	14	14
J Hannon (Co-opted)	7	8
E Hagan (Chair - appointed 10th October 2019)	8	10
J Rowell (Staff - resigned 20th March 2019)	3	4
L Jackson (Staff)	7	8
L Quinn-Briton (Co-opted)	6	10
S A Parkin (Staff - resigned 29th October 2018)	0	0
S Ferguson (appointed 18 October 2018 )		

During the period ending 31 August 2019, the board of trustees has gone through a period of transition with 5 trustees resigning during this period. To ensure good practice, the academy have restructured both Members and Trustees, increasing from three members to five and decreasing trustees to eleven.

The Trust regularly undertakes reviews of strategic leadership and management, as well as teaching and overall performance. During the reporting period concerned, external evaluations were carried out by school improvement partners which included interviews with members of the board of trustees and assessed the impact that it has on the daily running of the trust. The Trustees will continue with their cycle of evaluation regarding the impact and effectiveness of the board in the new financial year as the Trust develops. A programme of CPD is in place for trustees to ensure that they are able to undertake the function and responsibilities of their roles.

# EPPLETON ACADEMY PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### The Finance and Premises committee

This committee is a sub-committee of the main body of trustees. Its purpose is to make decisions related to the maintenance of the academy buildings and the future development of the environment, in addition to the monitoring and deployment of the academy finances and acting as an audit committee.

The Finance and Premises committee regularly monitors the progress of the budget using financial information supplied by the Headteacher and School Business Manager; agree with the Headteacher the type, and depth, of information to be provided to allow adequate budget monitoring and approve all purchases of goods or services dependent on the value, as set out in the financial responsibilities of the Academy Financial Handbook.

The Finance and Premises committee may also have some input into the preparation of the draft budget and may make recommendations to the full governing body regarding the initial school budget each year, as well as considering year end and internal audit reports, compiled by Sunderland Local Authority, and liaising with auditors, where appropriate.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
I Wren (Chair - resigned 12th September 2019)	6	6
D E Wallace (Vice Chair - resigned 11th February 2019)	0	0
R Chapman (Parent)	2	5
S A Parkin (Staff - resigned 29th October 2018)	0	0

### The Personnel committee

This committee is a sub-committee of the main body of trustees. The Personnel committee is responsible for considering cases of staff discipline, dismissal, capability and grievance. Where concerns are identified, senior leaders advise trustees on how they intend to remedy the situation, often with the advice and guidance of HR. This committee also considers salary issues (including re-grading).

In some cases, the Personnel committee or a smaller selection panel, which includes members of the committee, can be responsible for the appointment of staff.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
I Wren (Chair - resigned 12th September 2019)	1	1
M A Haswell (Vice Chair - temporary from 18th October 2019)	1	1
D E Wallace (Vice Chair - resigned 11th February 2019)	0	0



# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

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

- Reviewed Service Level Agreements with the Business Manager to ensure they are fit for purpose and achieve value for money. A number of services have been contracted to different providers that will reduce expenditure and allow more funds to be available to teaching and learning in 2018/19.
- Procured a new IT Infrastructure to enhance the delivery of teaching and learning and improve pupil outcomes as well as a reduction in expenditure.
- making good use of the academy facilities to members of the community and supplementing this use through hiring out conference facilities;
- continuing to invest in resources to enhance learning and raise attainment.
- Reviewed learning subscriptions and discontinued ineffective accounts to release funds to enable us to achieve value for money.
- Procured Broadband Connectivity to reduce expenditure without loss of service.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Eppleton Academy Primary School for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which Eppleton Academy Primary School is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees and the Finance and Premises committee.

### **The risk and control framework**

Eppleton Academy Primary School's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and Premises 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, as stated in the Academy Financial Handbook;
- delegation of authority and segregation of duties;
- identification and management of risks.

# EPPLETON ACADEMY PRIMARY SCHOOL

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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The board of trustees has considered the need for a specific internal audit function and has decided to appoint Sunderland Local Authority as internal auditor.

The internal 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 period included:

- governance, financial planning, budget setting and monitoring; income (spring term)
- expenditure arrangements including payroll and accounting arrangements (summer term).

In two visits during the year (spring and summer term), the auditor reports on the operation of systems of control and on the discharge of the board of trustees' financial responsibilities. This report is shared with the Finance and Premises committee initially and is then shared with the full governing body.

The internal auditor has delivered their schedule of work as planned and actions to address all issues raised have been completed.

#### Review of effectiveness

As accounting officer, the Headteacher, supported by the School Business Manager, has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Premises committee and a plan to address any potential weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 11 December 2019 and signed on its behalf by:

E Hagan  
Chair



K Bushby  
Accounting Officer



# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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As accounting officer of Eppleton Academy Primary School, I have considered my responsibility to notify Eppleton Academy Primary School board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Eppleton Academy Primary School and the Secretary of State. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook.

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

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



K Bushby  
**Accounting Officer**

11 December 2019

# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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The trustees (who act as governors of Eppleton Academy Primary School and 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 Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 11 December 2019 and signed on its behalf by:



E Hagan  
Chair

# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPPLETON ACADEMY PRIMARY SCHOOL**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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### **Opinion**

We have audited the accounts of Eppleton Academy Primary School for the year ended 31 August 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

We have nothing to report in this regard.

# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPPLETON ACADEMY PRIMARY SCHOOL (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the accounts**

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

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

# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPPLETON ACADEMY PRIMARY SCHOOL (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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### **Use of our report**

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



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

11 December 2019

**Statutory Auditor**

Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EPPLETON ACADEMY PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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In accordance with the terms of our engagement letter dated 25 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Eppleton Academy Primary School during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Eppleton Academy Primary School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Eppleton Academy Primary School's funding agreement with the Secretary of State for Education dated 1 June 2012 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer;
- discussions with the Accounting Officer and finance team;
- review of termly Internal Assurance reports;
- review of governing body and committee minutes;
- review of finance and other relevant policies;
- review of purchases and expenses on a sample basis;
- review of all leases in place; and
- consideration of transactions with related parties.



# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EPPLETON ACADEMY PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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### **Conclusion**

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Reporting Accountant**

Baldwins Audit Services

Dated: 11 December 2019

# EPPLETON ACADEMY PRIMARY SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £                      £		Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	15,142	15,142	6,102
Charitable activities:						
- Funding for educational operations	4	32,266	935,518	-	967,784	981,403
Other trading activities	5	38,257	-	-	38,257	35,024
Investments	6	400	-	-	400	285
<b>Total</b>		70,923	935,518	15,142	1,021,583	1,022,814
<b>Expenditure on:</b>						
Raising funds	7	45,008	-	-	45,008	16,770
Charitable activities:						
- Educational operations	8	17,859	980,400	26,388	1,024,647	1,050,936
<b>Total</b>	7	62,867	980,400	26,388	1,069,655	1,067,706
<b>Net income/(expenditure)</b>		8,056	(44,882)	(11,246)	(48,072)	(44,892)
Transfers between funds	16	-	4,094	(4,094)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	18	-	(121,000)	-	(121,000)	87,000
<b>Net movement in funds</b>		8,056	(161,788)	(15,340)	(169,072)	42,108
<b>Reconciliation of funds</b>						
Total funds brought forward		150,338	(198,212)	1,587,248	1,539,374	1,497,266
Total funds carried forward		158,394	(360,000)	1,571,908	1,370,302	1,539,374

# EPPLETON ACADEMY PRIMARY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	6,102	6,102
Charitable activities:					
- Funding for educational operations	4	21,801	959,602	-	981,403
Other trading activities	5	35,024	-	-	35,024
Investments	6	285	-	-	285
<b>Total</b>		57,110	959,602	6,102	1,022,814
<b>Expenditure on:</b>					
Raising funds	7	16,770	-	-	16,770
Charitable activities:					
- Educational operations	8	21,801	1,002,231	26,904	1,050,936
<b>Total</b>	7	38,571	1,002,231	26,904	1,067,706
<b>Net income/(expenditure)</b>		18,539	(42,629)	(20,802)	(44,892)
Transfers between funds	16	-	(38,793)	38,793	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	18	-	87,000	-	87,000
<b>Net movement in funds</b>		18,539	5,578	17,991	42,108
<b>Reconciliation of funds</b>					
Total funds brought forward		131,799	(203,790)	1,569,257	1,497,266
Total funds carried forward		150,338	(198,212)	1,587,248	1,539,374

# EPPLETON ACADEMY PRIMARY SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12		1,568,378		1,587,248
<b>Current assets</b>					
Debtors	13	58,980		65,391	
Cash at bank and in hand		292,316		190,816	
		<u>351,296</u>		<u>256,207</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(189,372)		(99,081)	
<b>Net current assets</b>			161,924		157,126
<b>Net assets excluding pension liability</b>			1,730,302		1,744,374
Defined benefit pension scheme liability	18		(360,000)		(205,000)
<b>Total net assets</b>			<u>1,370,302</u>		<u>1,539,374</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	16				
- Fixed asset funds			1,571,908		1,587,248
- Restricted income funds			-		6,788
- Pension reserve			(360,000)		(205,000)
<b>Total restricted funds</b>			<u>1,211,908</u>		<u>1,389,036</u>
<b>Unrestricted income funds</b>	16		158,394		150,338
<b>Total funds</b>			<u>1,370,302</u>		<u>1,539,374</u>

The accounts on pages 24 to 46 were approved by the trustees and authorised for issue on 11 December 2019 and are signed on their behalf by:



E Hagan  
Chair

Company Number 08063334

# EPPLETON ACADEMY PRIMARY SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	19		93,476		44,373
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		400		285	
Capital grants from DfE Group		15,142		6,102	
Purchase of tangible fixed assets		(7,518)		(21,326)	
<b>Net cash provided by/(used in) investing activities</b>			8,024		(14,939)
<b>Net increase in cash and cash equivalents in the reporting period</b>			101,500		29,434
Cash and cash equivalents at beginning of the year			190,816		161,382
<b>Cash and cash equivalents at end of the year</b>			292,316		190,816
<b>Relating to:</b>					
Bank and cash balances			247,093		160,699
Short term deposits			45,223		30,117

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **1 Accounting policies**

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

#### **1.1 Basis of preparation**

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

Eppleton Academy Primary School meets the definition of a public benefit entity under FRS 102.

#### **1.2 Going concern**

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

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

#### **1.3 Income**

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

##### Grants

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

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

Capital grants are recognised 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.

##### Sponsorship income

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

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies

(Continued)

##### Donations

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

##### Other income

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

##### Donated goods, facilities and services

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

##### Donated fixed assets

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

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	125 years
Leasehold improvements	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

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

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

#### 1.6 Liabilities

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

#### 1.7 Leased assets

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

#### 1.8 Financial instruments

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

##### Financial assets

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

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



# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting policies

(Continued)

#### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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

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

#### 1.11 Fund accounting

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

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

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

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### McCloud

In 2015 the government introduced reforms to public sector pensions resulting in most public sector workers being transferred to a new scheme. In December 2018, the Court of Appeal ruled that the 'transitional protections' offered to some members of the judges and firefighter schemes as part of the reforms amounted to unlawful discrimination. While the judgement was not in relation to the LGPS it is reasonable to expect that it will need to be applied to this scheme by the government. Actuaries have estimated that the additional liabilities associated with this to be around 3-4% of active liabilities. As this has been considered to be potentially material to the financial statements the year end valuation performed by the actuary has included an approximate calculation of the McCloud valuation. This has increased the LGPS liability by £22,000 as at 31 August 2019.

#### GMP

This case related to the equalisation for men and women of guaranteed minimum pension (GMP) for those who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled that equalisation of GMP was required. This case was in relation to Lloyds Bank and HM Treasury have since gone on record to state public sector schemes have a method to equalise GMP already. Although there is some judgement in how this equalisation works and is reflected in the LGPS valuations, actuaries have estimated that the impact of GMP indexation to be around 0.3% of total liabilities and they have included an approximate calculation of the GMP valuation. This has increased the LGPS liability by £1,000 as at 31 August 2019.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	15,142	15,142	6,102

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	754,185	754,185	763,123
Other DfE group grants	-	117,959	117,959	127,420
	-	872,144	872,144	890,543
<b>Other government grants</b>				
Local authority grants	-	63,374	63,374	67,609
<b>Other funding</b>				
Catering income	17,859	-	17,859	19,631
Other incoming resources	14,407	-	14,407	3,620
	32,266	-	32,266	23,251
<b>Total funding</b>	32,266	935,518	967,784	981,403

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	1,175	-	1,175	3,628
Catering income	990	-	990	905
Music tuition	1,284	-	1,284	857
Educational visits	10,193	-	10,193	8,352
Other income	24,615	-	24,615	21,282
	38,257	-	38,257	35,024

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	400	-	400	285

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
- Direct costs	29,206	-	15,802	45,008	16,770
Academy's educational operations					
- Direct costs	563,062	-	48,511	611,573	649,941
- Allocated support costs	169,531	97,807	145,736	413,074	400,995
	<u>761,799</u>	<u>97,807</u>	<u>210,049</u>	<u>1,069,655</u>	<u>1,067,706</u>

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

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	6,300	6,000
- Other services	10,195	7,525
Operating lease rentals	3,995	4,593
Depreciation of tangible fixed assets	26,388	26,904
Net interest on defined benefit pension liability	5,000	7,000

### 8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Direct costs</b>				
Educational operations	-	611,573	611,573	649,941
<b>Support costs</b>				
Educational operations	17,859	395,215	413,074	400,995
	<u>17,859</u>	<u>1,006,788</u>	<u>1,024,647</u>	<u>1,050,936</u>

	2019 £	2018 £
<b>Analysis of support costs</b>		
Support staff costs	169,531	167,863
Depreciation	26,388	26,904
Premises costs	71,419	61,123
Other support costs	101,295	89,335
Governance costs	44,441	55,770
	<u>413,074</u>	<u>400,995</u>

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Staff

#### Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	558,884	566,146
Social security costs	47,785	47,193
Pension costs	134,965	124,777
Amounts paid to employees	741,634	738,116
Agency staff costs	14,459	17,843
Staff restructuring costs	5,706	-
Amounts paid to staff	761,799	755,959
Staff development and other staff costs	11,439	13,137
Total staff expenditure	773,238	769,096

Staff restructuring costs comprise:

Redundancy payments	5,706	-
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#### Staff numbers

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

	2019 Number	2018 Number
Teachers	15	12
Administration and support	10	11
Management	3	6
	28	29

#### Higher paid staff

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

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £166,262 (2018: £247,321).

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Trustees' remuneration and expenses

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

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

K Bushby (head teacher and trustee):		
Remuneration	£65,001 - £70,000	(2018: £60,001 - £65,000)
Employer's pension contributions	£5,001 - £10,000	(2018: £5,001 - £10,000)
S James (staff trustee):		
Remuneration	£15,001 - £20,000	(2018: £20,001 - £25,000)
Employer's pension contributions	£1 - £5,000	(2018: £1 - £5,000)
J Rowell (staff trustee):		
Remuneration	£45,001 - £50,000	(2018: £40,001 - £45,000)
Employer's pension contributions	£5,001 - £10,000	(2018: £5,001 - £10,000)
L Jackson (staff trustee):		
Remuneration	£50,001 - £55,000	(2018: £30,001 - £35,000)
Employer's pension contributions	£5,001 - £10,000	(2018: £1 - £5,000)
S Parkin (staff trustee - resigned 29th October 2018):		
Remuneration	£5,001 - £10,000	(2018: £10,001 - £15,000)
Employer's pension contributions	£1 - £5,000	(2018: £1 - £5,000)

Other related party transactions involving the trustees are set out within the related parties note.

### 11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £25,000,000 on any one claim and the cost for the year ended 31 August 2019 was £1,200. The cost of this insurance is included in the total insurance cost.

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 12 Tangible fixed assets

	Land and buildings	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2018	1,495,000	124,048	18,187	67,658	1,704,893
Additions	-	-	3,246	4,272	7,518
At 31 August 2019	1,495,000	124,048	21,433	71,930	1,712,411
<b>Depreciation</b>					
At 1 September 2018	59,887	2,774	18,180	36,804	117,645
Charge for the year	11,056	992	394	13,946	26,388
At 31 August 2019	70,943	3,766	18,574	50,750	144,033
<b>Net book value</b>					
At 31 August 2019	1,424,057	120,282	2,859	21,180	1,568,378
At 31 August 2018	1,435,113	121,274	7	30,854	1,587,248

Land and buildings were valued on the basis of depreciated replacement cost as at 31 March 2013 by Mouchel on behalf of the EFA. This value was capitalised on the date of conversion.

### 13 Debtors

	2019 £	2018 £
VAT recoverable	13,135	24,643
Prepayments and accrued income	45,845	40,748
	58,980	65,391

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

	2019 £	2018 £
Trade creditors	150,858	67,659
Accruals and deferred income	38,514	31,422
	189,372	99,081

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

15	Deferred income	2019 £	2018 £
	Deferred income is included within:		
	Creditors due within one year	18,740	20,605
	Deferred income at 1 September 2018	20,605	18,000
	Released from previous years	(20,605)	(18,000)
	Resources deferred in the year	18,740	20,605
	<b>Deferred income at 31 August 2019</b>	<b>18,740</b>	<b>20,605</b>

Deferred income comprises Universal Infants' Free School Meals and trip income for the 2019-20 academic year received in advance.

16	Funds	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
	<b>Restricted general funds</b>					
	General Annual Grant (GAG)	6,788	754,185	(765,067)	4,094	-
	Other DfE / ESFA grants	-	117,959	(117,959)	-	-
	Other government grants	-	63,374	(63,374)	-	-
	Pension reserve	(205,000)	-	(34,000)	(121,000)	(360,000)
		(198,212)	935,518	(980,400)	(116,906)	(360,000)
	<b>Restricted fixed asset funds</b>					
	Inherited on conversion	1,435,113	-	(11,056)	-	1,424,057
	DfE group capital grants	8,778	15,142	(2,052)	(4,094)	17,774
	Capital expenditure from GAG	143,357	-	(13,280)	-	130,077
		1,587,248	15,142	(26,388)	(4,094)	1,571,908
	<b>Total restricted funds</b>	<b>1,389,036</b>	<b>950,660</b>	<b>(1,006,788)</b>	<b>(121,000)</b>	<b>1,211,908</b>
	<b>Unrestricted funds</b>					
	General funds	150,338	70,923	(62,867)	-	158,394
	<b>Total funds</b>	<b>1,539,374</b>	<b>1,021,583</b>	<b>(1,069,655)</b>	<b>(121,000)</b>	<b>1,370,302</b>



# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### 16 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Other DfE/EFA grants includes pupil premium, PE and sports grant, universal infant free school meals, and music hub funding.

Other government grants includes funding for pupils with special educational needs and early years funding.

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

DfE/EFA capital grants consist of the devolved capital grant which has been spent on ICT infrastructure and external fencing.

The inherited fixed asset fund reflects the fixed assets acquired on conversion. Depreciation on these assets is charged against this fund.

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

The academy's general restricted and unrestricted funds total £158,394 at 31 August 2019.

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 16 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	62,210	763,123	(779,752)	(38,793)	6,788
Other DfE / ESFA grants	-	127,420	(127,420)	-	-
Other government grants	-	67,609	(67,609)	-	-
Other restricted funds	-	1,450	(1,450)	-	-
Pension reserve	(266,000)	-	(26,000)	87,000	(205,000)
	<u>(203,790)</u>	<u>959,602</u>	<u>(1,002,231)</u>	<u>48,207</u>	<u>(198,212)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	1,446,169	-	(11,056)	-	1,435,113
DfE group capital grants	3,872	6,102	(1,196)	-	8,778
Capital expenditure from GAG	118,986	-	(14,422)	38,793	143,357
Private sector capital sponsorship	230	-	(230)	-	-
	<u>1,569,257</u>	<u>6,102</u>	<u>(26,904)</u>	<u>38,793</u>	<u>1,587,248</u>
<b>Total restricted funds</b>	<u>1,365,467</u>	<u>965,704</u>	<u>(1,029,135)</u>	<u>87,000</u>	<u>1,389,036</u>
<b>Unrestricted funds</b>					
General funds	<u>131,799</u>	<u>57,110</u>	<u>(38,571)</u>	<u>-</u>	<u>150,338</u>
<b>Total funds</b>	<u>1,497,266</u>	<u>1,022,814</u>	<u>(1,067,706)</u>	<u>87,000</u>	<u>1,539,374</u>

### 17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	1,568,378	1,568,378
Current assets	158,394	189,372	3,530	351,296
Creditors falling due within one year	-	(189,372)	-	(189,372)
Defined benefit pension liability	-	(360,000)	-	(360,000)
<b>Total net assets</b>	<u>158,394</u>	<u>(360,000)</u>	<u>1,571,908</u>	<u>1,370,302</u>

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	1,587,248	1,587,248
Current assets	150,338	105,869	-	256,207
Creditors falling due within one year	-	(99,081)	-	(99,081)
Defined benefit pension liability	-	(205,000)	-	(205,000)
<b>Total net assets</b>	<b>150,338</b>	<b>(198,212)</b>	<b>1,587,248</b>	<b>1,539,374</b>

### 18 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2016.

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

#### Teachers' Pension Scheme

##### Introduction

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

##### The Teachers' Pension Budgeting and Valuation Account

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

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

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Pension and similar obligations

(Continued)

#### Valuation of the Teachers' Pension Scheme

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

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

#### Scheme Changes

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

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

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

The employer's pension costs paid to the TPS in the period amounted to £66,439 (2018: £63,658).

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 11.2% for employers and 5.5% - 12.5% 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.

Total contributions made	2019 £	2018 £
Employer's contributions	39,000	42,000
Employees' contributions	9,000	10,000
Total contributions	48,000	52,000

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 18 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.6	3.5
Rate of increase for pensions in payment/inflation	2.1	2.0
Discount rate for scheme liabilities	1.9	2.8
Inflation assumption (CPI)	2.1	2.0

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

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

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

	2019 £	2018 £
Discount rate + 0.1%	921,000	705,000
Discount rate - 0.1%	961,000	735,000
Mortality assumption + 1 year	910,000	700,000
Mortality assumption - 1 year	973,000	740,000
CPI rate + 0.1%	954,000	730,000
CPI rate - 0.1%	928,000	710,000

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

	2019 Fair value £	2018 Fair value £
Equities	380,555	347,625
Government bonds	23,821	20,600
Corporate bonds	66,234	57,680
Cash	12,201	11,330
Property	49,966	43,775
Other assets	48,223	33,990
Total market value of assets	581,000	515,000

The actual return on scheme assets was £34,000 (2018: £38,000).

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	45,000	61,000
Past service cost	23,000	-
Interest income	(15,000)	(11,000)
Interest cost	20,000	18,000
Total operating charge	73,000	68,000
Changes in the present value of defined benefit obligations	2019 £	2018 £
At 1 September 2018	720,000	705,000
Current service cost	45,000	61,000
Interest cost	20,000	18,000
Employee contributions	9,000	10,000
Actuarial loss/(gain)	140,000	(60,000)
Benefits paid	(16,000)	(14,000)
Past service cost	23,000	-
At 31 August 2019	941,000	720,000
Changes in the fair value of the academy trust's share of scheme assets	2019 £	2018 £
At 1 September 2018	515,000	439,000
Interest income	15,000	11,000
Actuarial gain	19,000	27,000
Employer contributions	39,000	42,000
Employee contributions	9,000	10,000
Benefits paid	(16,000)	(14,000)
At 31 August 2019	581,000	515,000

# EPPLETON ACADEMY PRIMARY SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £	2018 £
Net expenditure for the reporting period (as per the statement of financial activities)	(48,072)	(44,892)
Adjusted for:		
Capital grants from DfE and other capital income	(15,142)	(6,102)
Investment income receivable	(400)	(285)
Defined benefit pension costs less contributions payable	29,000	19,000
Defined benefit pension scheme finance cost	5,000	7,000
Depreciation of tangible fixed assets	26,388	26,904
Decrease/(increase) in debtors	6,411	(493)
Increase in creditors	90,291	43,241
<b>Net cash provided by operating activities</b>	<b>93,476</b>	<b>44,373</b>

### 20 Commitments under operating leases

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

	2019 £	2018 £
Amounts due within one year	2,374	2,374
Amounts due in two and five years	594	2,967
	<u>2,968</u>	<u>5,341</u>

### 21 Capital commitments

	2019 £	2018 £
Expenditure on external fencing contracted for but not provided in the accounts	3,530	-

### 22 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place during the year.

# **EPPLETON ACADEMY PRIMARY SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2019***

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### **23 Members' liability**

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