

Company Registration Number: 09404783 (England and Wales)

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Annual Report and Financial Statements

For the period ended 31 August 2018

GODINTON ACADEMY TRUST
(A company limited by guarantee)

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GODINTON ACADEMY TRUST
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Reference and Administrative Details
For the period ended 31 August 2018

Members	Mr Steve King Mr Stephen Phillips Mrs Cheryl Hope
Trustees	Mr Steve King, Chairman ¹ Mr Ivor Duffy, Vice Chairman ¹ Miss Jill Talbot, Head Teacher (appointed 1 September 2017) Mr Stuart Lund, Staff Governor (appointed 18 October 2017) Mrs Simone Williams-King, Member Appointed Governor (resigned 18 April 2018) Mrs Anne McGoldrick, Member Appointed Governor (resigned 24 January 2018) Ms Lucy Medhurst, Member Appointed Governor (resigned 17 September 2018) Mr Ebenezer Adeosun, Member Appointed Governor (resigned 18 October 2017) Kelly Holden-Smith, Parent Governor (appointed 18 October 2017) Charlotte Wright, Parent Governor (appointed 18 October 2017) ¹ Member of the Finance Monitoring Pair
Company registered number	09404783
Company name	Godinton Academy Trust
Principal and registered office	Godinton Primary School Lockholt Close Ashford Kent TN23 3JR
Company secretary	Role Covered by Claire Williams (Finance Manager) and Susan Dinley (HR Manager)
Senior management team	Miss Jill Talbot, Headteacher Miss Hayley Collins, Assistant Headteacher Mrs Sarah Stein, Assistant Headteacher Mrs Claire Williams, Finance Manager Mrs Susan Dinley, HR Manager
Independent auditors	Williams Giles Limited Statutory Auditor Chartered Accountants 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Natwest Bank Plc 20 High Street Ashford Kent TN24 8SH
Solicitors	Stone King Boundary House 91 Charterhouse Street London EC1M 6HR

GODINTON ACADEMY TRUST
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Trustees' Report
For the period ended 31 August 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1st September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 4 to 11 serving a catchment area in Ashford, Kent. It has a pupil capacity of 420 and had a roll of 423 in the school census on 15th May 2018.

Since the academy trust qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required

Structure, governance and management

a. 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 Godinton Academy Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Godinton Academy Trust (Godinton Primary School).

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Trustees' indemnities

A Governor may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust: provided that any such insurance shall not extend to:

- a. any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not; and
- b. the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as directors of the Academy Trust.

Further, this Article does not authorise a Governor to benefit from any indemnity insurance that would be rendered void by any provision of the Companies Act 2006, the Charities Act 2011 or any other provision of law.

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Trustees' Report (continued)
For the period ended 31 August 2018

d. Method of recruitment and appointment or election of Trustees

Godinton Academy Trust shall appoint the following Governors (Trustees) as set out in its Articles of Association.

In Particular:

Subject to Articles 48 and 49, the Academy Trust shall have the following Governors:

- up to 6 Governors, appointed under Article 50;
- a minimum of two Parent Governors appointed under Articles 53- 58;
- up to 1 Staff Governor, subject to Article 50A;
- the Principal.
- The Academy Trust may also have any Co-opted Governor appointed under Article 59.

The Members may by ordinary resolution appoint up to 6 Governors, subject to Article 50A.

The total number of Governors (including the Principal) who are employees of the Academy Trust shall not exceed one third of the total number of Governors.

Subject to Article 57, the Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected.

When looking to fill a governor vacancy the Academy will determine the skills required for the position available and to supplement the skills of existing governors. Candidates will be considered with the required skills in mind.

- The Headteacher (Principal) is automatically a Governor.
- Member Appointed governors (Article 50) are appointed by Members of Godinton Academy Trust. The members consider the suitability of individuals who express an interest in becoming a governor in the Academy based on the existence of skills required. Potential candidates meet with the chair of governors and headteacher who report back to members who then vote on recommendations received.
- Staff governors are appointed from staff within the Godinton Academy Trust who nominate themselves to fill a vacancy. If one nomination is received that person is appointed. If more than one nomination is received all staff within Godinton Academy Trust vote and the candidate with most votes is appointed.
- Parent governors are appointed from parents of pupils at the Academy who nominate themselves to fill a vacancy. If the number of nominations received equals or is less than the number of vacancies and the nominees meet the skill requirements they are appointed. If the number of nominations exceeds the number of vacancies all parents of registered pupils at the Academy vote and the candidates with most votes are appointed.
- Co-opted governors will be appointed by the governing body of Godinton Academy Trust based on existence of skills required by the board.

e. Policies and procedures adopted for the induction and training of Trustees

The training and induction of new Governors (Trustees) includes access to training programmes offered through Kent County Council, including an on-line training package, which the Trust funds for the development of staff and Governors. The KCC courses provide regular updates on practice, legislation and guidance. During 2017/18 Governor Days have been introduced which include in house training sessions run by the headteacher and other academy staff on key topics. Sessions have included Maths Mastery, Assessment and Special Educational Needs and Disabilities (SEND). An online training package is also available to Governors covering all aspects of the role as well as individual packages purchased to cover specific training such as Safer Recruitment. All Governors are provided with copies of policies, procedures, minutes, budgets, plans and other documentation they need to undertake their role as a Governor. In addition the Trust operates a buddy system, where experienced Governors support and mentor new Governors.

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Trustees' Report (continued)
For the period ended 31 August 2018

f. Organisational structure

The Trust has a leadership structure which consists of Governors and the Senior Leadership Team. The aim of the structure is to devolve responsibility and encourage decision making at all levels.

The Governors operate under the pyramid model whose structure ensures assurance of agreed processes and enables a strong strategic focus.

At the point of the pyramid is the schools Senior Management Team made up of the Headteacher, two Assistant Headteachers, Finance Manager and HR Manager. Their role is to manage and lead on all aspects of teaching and learning.

The middle of the pyramid is made up of the Strategy Group of the Governing Body whose members are taken from the Senior Management Team and the Board of Trustees. The Headteacher and Assistant Headteacher represent the Senior Management Team and the Chair and Vice Chair of Governors, plus one annually elected governor, represents the Board of Trustees. The role of the Strategy Group is to set and lead the strategic direction of the school. In fulfilling their role the Group also focusses on school policies and has finance as a standing agenda item at its meetings.

At the base sits the Board of Trustees, the foundation of the pyramid. The Board of Trustees is responsible for ensuring the success of the school in terms of educational achievement and financial accountability. Although some of its functions are delegated to the Headteacher and the Strategy Group both report to the Board of Trustees to allow them to fulfil their obligations to the school and its stakeholders. The governing body is made up of 11 people namely, the Headteacher, one staff governor, 3 parent governors and 6 governors appointed by the members of the Academy Trust.

The Governing Body have overall responsibility for the administration of the academy's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the academy and the DfE and in the academy's scheme of governance.

The Finance Monitoring Pair made up of two governors forming the Finance Committee are a sub-committee of the main board of the governing body. All financial decisions are ratified by the governing body. The Finance Committee meet with the Finance Manager at least once a term but more frequent meetings are arranged if necessary.

The main responsibilities of the Finance Monitoring Pair are detailed in written terms of reference which have been authorised by the governing body. The main responsibilities include:

- The initial review and authorisation of the annual budget;
- The regular monitoring of actual expenditure and income against budget;
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the academies financial handbook issued to academies;
- Authorising the award of contracts over £8,000

Within the framework of the academy development plan, as approved by the governing body, the Head Teacher has overall executive responsibility for the academy's activities including financial activities. The Head Teacher is Godinton Academy Trust's designated Accounting Officer. The Accounting Officer is personally responsible to the board of trustees, DfE and ESFA for compliance with the academy's financial handbook, company and charitable law.

Delegations are approved by the Governing Body annually at the first meeting in the academic year and documented in the Terms of reference document.

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Trustees' Report (continued)
For the period ended 31 August 2018

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

The Trust has a leadership structure which consists of Governors and Senior Leadership Team responsible for the management of the Academy.

The Trustees of the Academy provide their services voluntarily and so they are not paid for their services and are not reimbursed for any costs associated with their activities.

The Senior Leadership Team are paid in accordance with the 'School Teachers Pay and Conditions Document' and the Academies Pay and Performance Policy. Although the academy is able to set its own pay structure it has chosen to continue to follow the structures for maintained schools as published by the Department for Education for all staff including the Leadership team.

The pay band for the Senior Leadership Team uses a calculation set out in the guidance based on the number of pupils on the school role. Progression through the pay band is subject to meeting criteria in the performance management process.

h. Related Parties and other Connected Charities and Organisations

Godinton Academy Trust is a member of a group of local schools known as the Central Ashford Town Schools (CATS). The groups purpose is to share good practice and to work in collaboration to assist all schools in the group to achieve their maximum potential. The group has no direct influence on decisions and operations of Godinton Academy but best practice and experiences of other member schools are taken in to account when making decisions and considering strategies for the Academy.

Godinton After School Club is a charitable organisation with links to Godinton Academy Trust although neither party has any influence over the other. The Godinton Primary After School Club provides facilities for the care of children from the school at the end of the school day to give parents with work and other commitments time to collect their children later in the day.

There are no related parties that either control or significantly influence the decisions and operations of Godinton Academy Trust.

Objectives and Activities

a. Objects and aims

The object of the Godinton Academy Trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Our fundamental aim is to provide a rich, exciting education for our pupils, not weakened by an overt focus on extended periods of exam preparation, with lessons delivered by good or outstanding teachers, in an environment which our pupils and parents find safe and welcoming, and which will provide them with the academic and personal skills they require for secondary school and, ultimately, allow their development into confident, rounded adults.

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Trustees' Report (continued)
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b. Objectives, Strategies and Activities

The principle objective of the Godinton Academy Trust is the operation of the school to provide education and care for primary school age pupils of different abilities in an environment that is safe and promotes a willingness to learn.

In accordance with the articles of association the Trust has adopted a Funding Agreement, approved by the Secretary of State for Education which specifies, amongst other things :

- That the Academy Trust must ensure that the curriculum provided to pupils is balanced and broadly based, and includes English, mathematics and science.
- That they provide education for children of different abilities.

The objectives of the Godinton Academy Trust during the period ended 31st August 2018 are summarised below:

- Provide a safe environment in which children can enjoy school and learning. This was achieved by regularly reviewing health and safety needs within the school and promoting a friendly caring approach to learning which is embedded in the schools ethos.
- To deliver a broad and balanced curriculum that reflects the needs of the pupils and helps them to learn. This was achieved by accurate teacher assessment of pupils needs, taking account of varied abilities, to ensure the curriculum was interesting and provided maximum potential on pupil learning. This was supported by extra-curricular clubs and school trips.
- To address issues highlighted in the School Improvement Plan (SIP), in particular;
 - focusing on outcomes for pupils, including improvement to attainment in the phonic screening, improving outcomes for children at Key Stage 1 ensuring achievement at "expected" for reading writing and maths is above national figures, to embed maths mastery skills across the school with a focussed approach in Years 1, 3 and 4 and increase the progress and attainment of current Year 6 pupils in reading. This was achieved by staff developing and implementing the necessary strategies for success and was subject to monitoring by Governors.
 - Considering the effectiveness of the Early Years Foundation Stage (EYFS), including improvement to children's achievement in key areas of the EYFS Profile so that they are consistently above national figures and ensure the internal and external environment supports the development of key skills in reading, writing and maths. This was achieved by focussed careful planning and skilled implementation of identified changes by the EYFS team and confirmed through Governor monitoring.
 - Focusing on quality of teaching, learning and assessment, including ensuring that all teaching is at least good and increase the percentage of outstanding teaching, improving the quality of the tracking of pupil attainment and progress across the school and implement robust interventions to support children across the school. This was achieved by identifying areas for improvement, providing appropriate staff development opportunities and sharing best practice across the school.
 - Focusing on personal development, reviewing the school values, developing 'pupil voice', reviewing the schools procedures for promoting good attendance and implementing the schools safeguarding plan. All aspects were achieved with a particular success being the re-introduction of the "Mini Management Team", made up of representatives from each year group, to ensure a focus on "pupil voice".
- Support for families and the wider community. This was achieved through the activities provided by our Family Liaison Officer including the weekly coffee shop providing a social activity for parents.
- Provide extracurricular activities to help meet family needs and pupil enjoyment. This was achieved through the on-going provision of a Breakfast Club and After School Club along with numerous after school clubs covering a wide range of activities.
- Live within budget and maintain financial propriety and value for money. This was achieved through accurate accounting in line with set procedures which were regularly evaluated by the Accounting Officer and Finance Monitoring Pair.

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Trustees' Report (continued)
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The Governors used the following key measures to assess the success of the activities undertaken:

- The School Improvement Plan SIP
- Data Benchmarking
- SATs results
- Findings and Observations from school visits
- Termly Headteacher reports
- Financial Monitoring Process and Financial Benchmarking

c. Public benefit

Public benefit entity is defined by FRS 102 as: 'an entity whose primary objective is to provide goods or services for the general public, community or social benefit and where any equity is provided with a view to supporting the entity's primary objectives rather than with a view to providing a financial return to equity providers, shareholders or members'. Charities are one type of public benefit entity.

At Godinton Academy Trust by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum we have referred to the guidance on public benefit published by the Charity Commission and ensured that all our activities in so doing are undertaken to further our charitable purpose for the public benefit.

Strategic Report

a. Achievements and Performance

The achievements and performance of the academy trust are reflected in the performance tables, Ofsted report and SATs results which can be found on the schools website, <http://www.godinton.kent.sch.uk>, alongside the schools ethos and prospectus.

b. Key performance indicators

The School achieved an in year deficit of £65,183 for the period and has submitted a balanced plan for 2018/19.

The Academy complies with all terms and conditions of the Funding Agreement.

Please refer to the school website for details of the latest Ofsted report and school performance data.

The School Improvement Plan has been used throughout the year to support the achievement of the schools key performance indicators. A copy of the plan can be supplied on request to the school office. It is used by Governors to monitor progress in the areas identified and forms the focus for their visits to the school. The 2017/18 School Improvement Plan covered aspects linked to outcomes for children, the effectiveness of the Early Years Foundation Stage, the quality of teaching learning and assessment and personal development, behaviour and welfare.

The strategies introduced to meet the key areas of the school improvement plan helped towards achieving the "Good" rating awarded following the Ofsted inspection in March 2018. The inspector commented that the areas for improvement had been recognised by the school and clearly outlined in the School Improvement Plan and acknowledged that the required strategies to address the issues were in place.

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Trustees' Report (continued)
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c. Going concern

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

As a charitable company the school is dependent on the funding arrangements with the ESFA to remain as a going concern. The staff and governors have produced a detailed school development plan including financial plans for the future. This together with the 3 year budget plan provides the framework for the school future success. Therefore these financial statements have been prepared on an on-going basis.

Financial review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE for the period 1st September 2017 through 31st August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the period ended 31 August 2018, total expenditure of £1,781,229 was covered by recurrent grant funding from the DfE £1,550,282, together with other incoming resources of £165,764. The excess of Income over Expenditure for the year (excluding restricted fixed asset and pension funds) was £108,894.

At 31 August 2018 the net book value of fixed assets was £3,145,882 and movements in tangible fixed assets are shown in note 18 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion in March 2015. Land and buildings were valued by the ESFA on 21 July 15 at £3,328,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

During the year, the Trustees received reports from the appointed auditors which contained no matters of significance.

a. Reserves policy

The Governors review the reserve levels of the Academy annually. The Governors feel it is important that funding received during a financial year is spent for the benefit of the pupils on roll at that time, whilst recognising the need for prudent accounting.

The Governors have determined that the appropriate level of free cash reserves in any one year should be enough to manage reasonable unforeseen issues, whilst not increasing substantially the carry forward of any unspent General Annual Grant from the previous year, except for the following two reasons.

The school operates a 3 year budget plan, and where any of the three year budgets result in an expected deficit the Governors expect the Academy Trust to review expenditure in prior years in an effort to increase the reserve and balance the budget across the three year period.

Where budget setting identifies significant one off costs in the period of the three year budget plan that has been agreed by the Governing body, the reserve level in the preceding one or two years can be increased to cover the one off cost in addition to that held for unforeseen circumstances.

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Trustees' Report (continued)
For the period ended 31 August 2018

b. Material investments policy

Godinton Academy Trust has no significant investments.

c. Principal risks and uncertainties

The Academy has produced a risk register which is reviewed annually.

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

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 93.57% of the Academy's incoming resources was ultimately Government funded and 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. Particular risk is associated with unpredictable increases in National Insurance and employer pension contributions with no real terms income growth to match these costs.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks through assurances by independent agents and regular scrutiny of monthly reports and forecasting.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards whilst maintaining the core pupil centric ethos of the school that children must receive a fully rounded education, which provides them with the opportunity to succeed wherever their strengths and skills may lie, and which ultimately develops happy and confident children, who possess the attributes they will require to succeed in adult life. We are not simply preparing children for SATs assessments - we are preparing them for their life ahead. To mitigate this risk Trustees ensure that pupil success and achievement is closely monitored and reviewed in line with the school improvement plan.

Staffing - the success of the Academy 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.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Fraud and mismanagement of funds - The Academy has appointed an 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.

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Trustees' Report (continued)
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Fundraising [see Charities (Protection and Social Investments) Act 2016]

The Academy relies on the allocation of funds from the ESFA for the majority of its financial commitments but reverts to other means to supplement this income.

During the 2018/19 academic year there has been an increase in funds raised from rental of parts of the school premises. The activities not only produce some much needed income for the Academy but also enhance its community links. Rentals are arranged and managed by the Academies Finance Manager.

The Academy benefits from funds raised by its well supported Parent Teachers and Friends Association (PTFA). The PTFA hold long established fundraising events throughout the year and are careful in planning events to reduce the impact on their supporters pockets. The current PTFA committee is run by volunteers who have many years' experience of fundraising for the Academy. The committee has a complaints procedure to address any concerns raised.

To enable certain school extra-curricular activities, such as residential trips, to proceed a voluntary contribution has to be sought. The contributions are sought in accordance with the Academies Charging Policy to meet the actual costs of the activity. The Academies Complaints Policy and Procedure is in place to address any complaints raised regarding voluntary contributions.

Plans for future periods

a. Future developments

Teaching and Learning: We will continue to strive to improve the performance of our pupils at all levels, ensuring they get the best start in their education. The details of how we will achieve this will be covered in the School Improvement Plan 2018/19 which is nearing completion and will be made available upon request. The plan will include the key areas identified by the March 2018 Ofsted Inspection which are :

- Increase the proportion of pupils working at greater depth of learning in Key Stage 2
- Improve the phonics skills of all groups of pupils to enable them to make consistently good progress.

Curriculum: We will continue to review the current curriculum to identify strengths and areas for improvement with a view to implementing changes in the 2018-2019 academic year. The aim is that a more rounded curriculum is in place that provides greater interest for pupils and promotes cross curricular activity.

Environmental: We will maintain a safe and happy environment to help our children to maximise their learning and assist them in achieving the highest possible levels of progress and attainment. We will do this by undertaking regular health and safety checks of the building and grounds and by ensuring all necessary resources are available to meet our children's needs. We are currently planning a bid for funding to meet the costs of perimeter fencing to improve safeguarding on the school site. The bid will be submitted in November 2018 and, if successful work on the fence will start in mid-2019.

Funds held as custodian

The Trust does not hold funds on behalf of others.

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Trustees' Report (continued)
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Disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

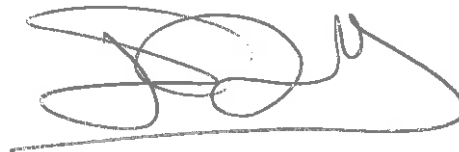
Auditors

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report was approved by order of the board of trustees, as the company directors, on 28 November 2018 and signed on its behalf by:



Mr Steve King
Chair of Trustees



Mr Ivor Duffy
Trustee

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Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Godinton Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Steve King, Chairman	6	6
Mr Ivor Duffy, Vice Chairman	6	6
Miss Jill Talbot, Head Teacher	5	6
Mr Stuart Lund, Staff Governor	4	6
Mrs Simone Williams-King, Member	2	3
Appointed Governor		
Mrs Anne McGoldrick, Member Appointed Governor	2	3
Ms Lucy Medhurst, Member Appointed Governor	3	6
Mr Ebenezer Adeosun, Member Appointed Governor	0	0
Kelly Holden-Smith, Parent Governor	3	6
Charlotte Wright, Parent Governor	5	6

The Board of Trustees has had 4 resignations in the year. All vacancies are for Member Appointed Governors with one interview to take place in September 2019. An advert for the vacancies will soon be circulated in the community in the hope of attracting suitable candidates.

Governors in their first year in the role have settled in well and they are taking an active part in meetings and in their monitoring role with experienced Governors providing them with advice and support.

Governor monitoring visits were programmed early in the academic year with a clear link to a greatly improved School Improvement Plan. Changes to the School Improvement Plan have allowed Governors responsibilities to have an enhanced focus with clear links to key staff to assist in the monitoring process. Visits are now more structured to ensure all statutory requirements are covered and that they concentrate on school improvement and financial accountability.

Board meetings rely heavily on receipt and interpretation of data to inform decisions. The data is in various forms including DfE reports / statistics and schools own reports. Governors receive good quality and reliable data / reports from the school, which is supported by national data, and has been used throughout the year to inform questions to challenge all aspects of the teaching and learning processes. The Headteachers Report, which is produced for each Full Governing Body meeting, changed for the 2017/18 academic year to incorporate school data and focus of key areas of teaching and learning requiring consideration by Governors. The greatly improved report ensures the Governors focus their challenge on the areas required to ensure continued improvement.

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Governance Statement (continued)

Governance Review:

The Board of Trustees carried out a review of Governance using the 'Quality Mark for School Governance' template and produced an action plan covering areas for implementation or improvement during the 2017/18 academic year.

The key area identified was the need to improve on challenging school leaders and ensuring that evidence was readily available to show that challenge is demonstrated as well as the impact it has had. This led to a change in the format of the Headteachers Report to incorporate school data and other teaching and learning information which has enabled Governors to ask the right questions and provide improved challenge and hold more informed discussions.

A further review at the end of the 2017-18 academic year had to be postponed but a full review using Quality Mark principles.

The Finance Monitoring Pair act as the Finance Committee incorporating the Audit Committee, which is a sub-committee of the main board of trustees. Their main purpose is to

- carry out an initial review and authorisation of the annual budget;
- regularly monitor the actual and forecast expenditure and income against budget;
- ensure the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the academies financial handbook issued to academies;
- authorise the award of contracts over £8,000;
- carry out regular audits of the accounting system and monitoring reports.

Trustees : Mr Ivor Duffy and Mr Steve King

The Finance Monitoring Pair have met regularly with the Finance Manager to discuss the finance position throughout the year. As a result of the meetings reports were submitted to the Strategy Group and Board of Trustees to provide updates on the financial position and give details of recommended actions. The lead member of the pair, Mr I Duffy, is a qualified accountant and is supported by Mr S King who has a strong financial background.

The Strategy group met 6 times

Trustee	Meetings attended	Out of a possible
Mr Steve King, Chairman	6	6
Mr Ivor Duffy, Vice Chairman	6	6
Miss Jillian Talbot, Head Teacher	4	6
Mrs Simone Williams-King, Member Appointed Governor	3	3

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Governance Statement (continued)

Review of Value for Money

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

The Accounting Officer considers how the academy'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 has delivered improved value for money during the year by:

- working with the Finance Manager to find ways of reducing supply teacher costs which included negotiating with teachers providing cover for planning, preparation and assessment to reach an agreement that they would be paid at Higher Level Teaching Assistant rates.
- working with the strategy committee and finance monitoring pair to review school benchmarking information to consider whether expenditure is at odds with normal practice. Following adjustments made following a similar review in 2016/17 no significant anomalies were found requiring the school to adjust any of its expenditure.
- reviewing the Teaching Assistant needs to ensure adequate provision of support in the classroom and to run necessary interventions covering particular teaching and learning needs while living within a limited budget. This resulted in a structure that allowed all key needs to be met and made best use of the skills of staff involved. Where it was necessary to appoint new staff careful consideration was given to the candidates skills to ensure suitability for the role and employment was made on a fixed term basis to allow future flexibility.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Godinton Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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 period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Governance Statement (continued)

The Risk and Control Framework

The academy'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 Monitoring Pair of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Williams Giles Ltd as internal auditor.

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

- Fixed Assets / Inventory
- Banking and Cash Handling
- Income
- Expenditure
- Governance and Procedures
- Voluntary Fund and Academy Journey
- Payroll and Recruitment
- Lettings and Income Generation
- Financial Monitoring and Reporting
- Contracts and Procurement
- Academy Meals

On a termly basis, the auditor reports to the board of trustees through the Chair of Governors on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor completed their three audit visits on programme and produced clear, concise reports on their findings. In addition to the three visits the auditor has willingly provided advice and support to the finance manager throughout the year.

Substantive sample testing did not reveal any serious shortcomings in our systems and controls.

The recommendations made in reports were acted upon immediately to ensure full compliance in future.

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Governance Statement (continued)

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy 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 Monitoring Pair and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 28 November 2018 and signed on their behalf, by:



Mr Steve King
Chair of Trustees



Miss Jill Talbot
Accounting Officer

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Godinton Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



Miss Jill Talbot
Accounting Officer

Date: 28 November 2018

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Statement of Trustees' Responsibilities
For the period ended 31 August 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 28 November 2018 and signed on its behalf by:



Mr Steve King
Chair of Trustees

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Godinton Academy Trust

Opinion

We have audited the financial statements of Godinton Academy Trust (the 'academy') for the period ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Godinton Academy Trust

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

Responsibilities of trustees

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

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

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Godinton Academy Trust

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Statutory Auditor
Chartered Accountants

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date: 4 December 2018

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Godinton Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 19 February 2015 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 Godinton Academy Trust during the period 1 September 2017 to 31 August 2018 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 Godinton Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Godinton Academy Trust and the 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 Godinton Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Godinton Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Godinton Academy Trust's funding agreement with the Secretary of State for Education dated 26 February 2015, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the 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's income and expenditure.

The work undertaken to draw our conclusion includes:

- An assessment of the risk of material misstatement and irregularity
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion

GODINTON ACADEMY TRUST
(A company limited by guarantee)

**Independent Reporting Accountants' Assurance Report on Regularity to Godinton Academy Trust and
the Education & Skills Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alastair Crawford

Williams Giles Limited

Statutory Auditor
Chartered Accountants

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: *4 December 2018*

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the period ended 31 August 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	6,738	-	14,017	20,755	59,585
Charitable activities	3	-	1,592,141	-	1,592,141	1,603,657
Other trading activities	4	59,855	43,295	-	103,150	104,122
Total income		66,593	1,635,436	14,017	1,716,046	1,767,364
Expenditure on:						
Raising funds		-	22,622	-	22,622	53,186
Charitable activities		12,602	1,655,911	90,094	1,758,607	1,897,164
Total expenditure	7	12,602	1,678,533	90,094	1,781,229	1,950,350
Net income / (expenditure) before transfers		53,991	(43,097)	(76,077)	(65,183)	(182,986)
Transfers between Funds	17	-	(16,756)	16,756	-	-
Net income / (expenditure) before other recognised gains and losses		53,991	(59,853)	(59,321)	(65,183)	(182,986)
Actuarial gains on defined benefit pension schemes	21	-	176,000	-	176,000	537,000
Net movement in funds		53,991	116,147	(59,321)	110,817	354,014
Reconciliation of funds:						
Total funds brought forward		72,989	(609,000)	3,205,203	2,669,192	2,315,178
Total funds carried forward		126,980	(492,853)	3,145,882	2,780,009	2,669,192

GODINTON ACADEMY TRUST
(A company limited by guarantee)
Registered number: 09404783

Balance Sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	14		3,145,882		3,205,203
Current assets					
Debtors	15	57,569		71,418	
Cash at bank and in hand		224,018		131,518	
		<u>281,587</u>		<u>202,936</u>	
Creditors: amounts falling due within one year	16	(116,460)		(129,947)	
Net current assets			<u>165,127</u>		<u>72,989</u>
Total assets less current liabilities			<u>3,311,009</u>		<u>3,278,192</u>
Defined benefit pension scheme liability	21	(531,000)		(609,000)	
Net assets including pension scheme liabilities			<u><u>2,780,009</u></u>		<u><u>2,669,192</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	38,147			
Restricted fixed asset funds	17	3,145,882		3,205,203	
Restricted income funds excluding pension liability		3,184,029		3,205,203	
Pension reserve		(531,000)		(609,000)	
Total restricted income funds			<u>2,653,029</u>		<u>2,596,203</u>
Unrestricted income funds	17		<u>126,980</u>		<u>72,989</u>
Total funds			<u><u>2,780,009</u></u>		<u><u>2,669,192</u></u>

The financial statements on pages 24 to 46 were approved by the Trustees, and authorised for issue, on 28 November 2018 and are signed on their behalf, by:



Mr Steve King
Chair of Trustees

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Statement of Cash Flows
For the period ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>109,256</u>	<u>6,684</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(30,773)	(53,140)
Capital grants from DfE Group		<u>14,017</u>	<u>56,517</u>
Net cash (used in)/provided by investing activities		<u>(16,756)</u>	<u>3,377</u>
Change in cash and cash equivalents in the period		92,500	10,061
Cash and cash equivalents brought forward		<u>131,518</u>	<u>121,457</u>
Cash and cash equivalents carried forward	20	<u><u>224,018</u></u>	<u><u>131,518</u></u>

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2018

1. Accounting Policies

Godinton Academy Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Godinton Primary School, Lockholt Close, Ashford, Kent, TN23 3JR. The principal activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Godinton Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2018

1. Accounting Policies (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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 allocated on the portion of the asset's use.

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

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

All expenditure is inclusive of irrecoverable VAT.

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2018

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line
Fixtures & fittings	-	25% straight line
Motor vehicles	-	3 years straight line
Computer equipment	-	3 years straight line

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

1.6 Debtors

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

1.7 Cash at Bank and in hand

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

1.8 Liabilities and provisions

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

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2018

1. Accounting Policies (continued)

1.9 Taxation

The academy 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 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

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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 at the discretion of the Trustees.

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

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

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1. Accounting Policies (continued)

1.12 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Multi-employer defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Critical areas of judgment:

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the governors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 21 for further details.

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	6,738	-	-	6,738	3,068
Grants	-	-	14,017	14,017	56,517
	<u>6,738</u>	<u>-</u>	<u>14,017</u>	<u>20,755</u>	<u>59,585</u>
<i>Total 2017</i>	<u>3,068</u>	<u>-</u>	<u>56,517</u>	<u>59,585</u>	

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3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,399,888	1,399,888	1,419,007
Other DfE/ESFA grants	-	89,123	89,123	77,779
Pupil premium	-	61,271	61,271	69,410
	<u>-</u>	<u>1,550,282</u>	<u>1,550,282</u>	<u>1,566,196</u>
Other government grants				
Other government grants	-	41,859	41,859	37,461
	<u>-</u>	<u>41,859</u>	<u>41,859</u>	<u>37,461</u>
	<u>-</u>	<u>1,592,141</u>	<u>1,592,141</u>	<u>1,603,657</u>
<i>Total 2017</i>	<u>-</u>	<u>1,603,657</u>	<u>1,603,657</u>	

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	11,532	-	11,532	2,475
School trip income	-	22,665	22,665	37,995
Other income	48,323	20,630	68,953	63,652
	<u>59,855</u>	<u>43,295</u>	<u>103,150</u>	<u>104,122</u>
<i>Total 2017</i>	<u>47,937</u>	<u>56,185</u>	<u>104,122</u>	

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Notes to the Financial Statements
For the period ended 31 August 2018

5. Direct costs

	Educational operations £	Total 2018 £	Total 2017 £
Educational supplies	61,812	61,812	52,451
Staff development	21,231	21,231	18,258
Educational consultancy	8,987	8,987	14,047
Staff restructuring	-	-	10,811
Wages and salaries	829,550	829,550	933,248
National insurance	68,291	68,291	76,640
Pension cost	139,036	139,036	151,470
	<u>1,128,907</u>	<u>1,128,907</u>	<u>1,256,925</u>
<i>Total 2017</i>	<u>1,256,925</u>	<u>1,256,925</u>	

6. Support costs

	Educational operations £	Total 2018 £	Total 2017 £
LGPS costs	15,000	15,000	22,000
Maintenance of premises and equipment	48,907	48,907	79,762
Cleaning	21,818	21,818	18,680
Rent & rates	6,301	6,301	10,105
Light & heat	17,583	17,583	15,454
Security & transport	1,339	1,339	1,143
Catering	62,715	62,715	63,598
Computer costs	29,708	29,708	10,928
Other support costs	22,688	22,688	27,086
Governance costs	12,602	12,602	15,190
Wages and salaries	174,422	174,422	147,080
National insurance	9,831	9,831	9,110
Pension cost	116,692	116,692	116,880
Depreciation	90,094	90,094	103,223
	<u>629,700</u>	<u>629,700</u>	<u>640,239</u>
<i>Total 2017</i>	<u>640,239</u>	<u>640,239</u>	

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7. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	-	-	22,622	22,622	53,186
Support costs	-	-	-	-	-
Educational operations:					
Direct costs	1,036,877	-	92,030	1,128,907	1,256,925
Support costs	300,945	66,874	261,881	629,700	640,239
	<u>1,337,822</u>	<u>66,874</u>	<u>376,533</u>	<u>1,781,229</u>	<u>1,950,350</u>
<i>Total 2017</i>	<u>1,445,239</u>	<u>125,259</u>	<u>379,852</u>	<u>1,950,350</u>	

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	<u>90,094</u>	<u>103,223</u>

9. Auditors' remuneration

	2018 £	2017 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	7,000	7,000
Fees payable to the academy's auditor and its associates in respect of:		
All other non-audit services not included above	<u>4,125</u>	<u>4,125</u>

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10. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,003,972	1,080,328
Social security costs	78,122	85,750
Operating costs of defined benefit pension schemes	255,728	268,350
	<u>1,337,822</u>	<u>1,434,428</u>
Staff restructuring costs	-	10,811
	<u><u>1,337,822</u></u>	<u><u>1,445,239</u></u>

Staff restructuring costs comprise:

Redundancy payments	-	10,811
	<u><u>-</u></u>	<u><u>10,811</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teaching	18	25
Support staff	38	48
Management	5	6
	<u>61</u>	<u>79</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	0	1

d. 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 £274,411 - (2017 - £291,575).

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Notes to the Financial Statements
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11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
Mr Jim Holditch	Remuneration	-	60,000-65,000
	Pension contributions paid	-	10,000-15,000
Mrs Anne McGoldrick	Remuneration	5,000-10,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
Mrs Elaine Paggett	Remuneration	-	5,000-10,000
	Pension contributions paid	-	0-5,000
Miss Jillian Talbot	Remuneration	55,000-60,000	-
	Pension contributions paid	5,000-10,000	-
Mr Stuart Lund	Remuneration	10,000-15,000	-
	Pension contributions paid	0-5,000	-

During the period ended 31 August 2018, expenses totalling £192 (2017 - £NIL) were reimbursed to 1 Trustee (2017 - £NIL).

12. Trustees' and Officers' Insurance

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

13. Other finance income

	2018 £	2017 £
Interest income on pension scheme assets	20,000	10,000
Interest on pension scheme liabilities	(35,000)	(32,000)
	<u>(15,000)</u>	<u>(22,000)</u>

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14. Tangible fixed assets

	Leasehold property £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2017	3,336,618	45,878	71,064	3,998	3,457,558
Additions	7,058	4,374	19,341	-	30,773
Disposals	-	-	(1,817)	-	(1,817)
At 31 August 2018	3,343,676	50,252	88,588	3,998	3,486,514
Depreciation					
At 1 September 2017	163,219	28,339	57,467	3,330	252,355
Charge for the period	66,874	11,811	10,741	668	90,094
On disposals	-	-	(1,817)	-	(1,817)
At 31 August 2018	230,093	40,150	66,391	3,998	340,632
Net book value					
At 31 August 2018	3,113,583	10,102	22,197	-	3,145,882
At 31 August 2017	3,173,399	17,539	13,597	668	3,205,203

15. Debtors

	2018 £	2017 £
VAT	7,443	16,521
Other debtors	38,292	42,746
Prepayments and accrued income	11,834	12,151
	<u>57,569</u>	<u>71,418</u>

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	20,109	446
Other taxation and social security	17,952	20,751
Other creditors	20,340	21,995
Accruals and deferred income	58,059	86,755
	<u>116,460</u>	<u>129,947</u>

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16. Creditors: Amounts falling due within one year (continued)

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	34,605	<i>41,100</i>
Resources deferred during the year	39,826	<i>34,605</i>
Amounts released from previous years	(34,605)	<i>(41,100)</i>
	<hr/>	<hr/>
Deferred income at 31 August 2018	39,826	<i>34,605</i>
	<hr/>	<hr/>

At the balance sheet date deferred income included funding received in advance for Universal Infant Free School Meals and school trip funding relating to the following financial year.

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Notes to the Financial Statements
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17. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted fund	72,989	66,593	(12,602)	-	-	126,980
Restricted funds						
General Annual Grant (GAG)	-	1,399,888	(1,344,985)	(16,756)	-	38,147
Pupil premium	-	61,271	(61,271)	-	-	-
Other DfE/ESFA grants	-	89,123	(89,123)	-	-	-
Other government grants	-	41,859	(41,859)	-	-	-
Other generated fund	-	43,295	(43,295)	-	-	-
Pension reserve	(609,000)	-	(98,000)	-	176,000	(531,000)
	<u>(609,000)</u>	<u>1,635,436</u>	<u>(1,678,533)</u>	<u>(16,756)</u>	<u>176,000</u>	<u>(492,853)</u>
Restricted fixed asset funds						
Assets held for depreciation	3,205,203	-	(90,094)	30,773	-	3,145,882
Devolved formula capital	-	8,703	-	(8,703)	-	-
Other capital income	-	5,314	-	(5,314)	-	-
	<u>3,205,203</u>	<u>14,017</u>	<u>(90,094)</u>	<u>16,756</u>	<u>-</u>	<u>3,145,882</u>
Total restricted funds	<u>2,596,203</u>	<u>1,649,453</u>	<u>(1,768,627)</u>	<u>-</u>	<u>176,000</u>	<u>2,653,029</u>
Total of funds	<u>2,669,192</u>	<u>1,716,046</u>	<u>(1,781,229)</u>	<u>-</u>	<u>176,000</u>	<u>2,780,009</u>

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

Unrestricted funds are applied to the general work of the academy to support activities inside the outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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Notes to the Financial Statements
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17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted fund	98,892	51,005	-	(76,908)	-	72,989
Restricted funds						
General Annual Grant (GAG)	-	1,419,007	(1,499,292)	80,285	-	-
Pupil premium	-	69,410	(69,410)	-	-	-
Other DfE/ESFA grants	-	77,779	(77,779)	-	-	-
Other government grants	-	37,461	(37,461)	-	-	-
Other generated fund	-	56,185	(56,185)	-	-	-
Pension reserve	(1,039,000)	-	(107,000)	-	537,000	(609,000)
	<u>(1,039,000)</u>	<u>1,659,842</u>	<u>(1,847,127)</u>	<u>80,285</u>	<u>537,000</u>	<u>(609,000)</u>
Restricted fixed asset funds						
Assets held for depreciation	3,255,286	-	(103,223)	53,140	-	3,205,203
Devolved formula capital	-	8,691	-	(8,691)	-	-
Other capital income	-	47,826	-	(47,826)	-	-
	<u>3,255,286</u>	<u>56,517</u>	<u>(103,223)</u>	<u>(3,377)</u>	<u>-</u>	<u>3,205,203</u>
Total restricted funds	<u>2,216,286</u>	<u>1,716,359</u>	<u>(1,950,350)</u>	<u>76,908</u>	<u>537,000</u>	<u>2,596,203</u>
Total of funds	<u>2,315,178</u>	<u>1,767,364</u>	<u>(1,950,350)</u>	<u>-</u>	<u>537,000</u>	<u>2,669,192</u>

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A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted fund	98,892	51,005	-	(76,908)	-	72,989
	-	66,593	(12,602)	-	-	53,991
Restricted funds						
General Annual Grant (GAG)	-	2,818,895	(2,844,277)	63,529	-	38,147
Pupil premium	-	130,681	(130,681)	-	-	-
Other DfE/ESFA grants	-	166,902	(166,902)	-	-	-
Other government grants	-	79,320	(79,320)	-	-	-
Other generated fund	-	99,480	(99,480)	-	-	-
Pension reserve	(1,039,000)	-	(205,000)	-	713,000	(531,000)
	<u>(1,039,000)</u>	<u>3,295,278</u>	<u>(3,525,660)</u>	<u>63,529</u>	<u>713,000</u>	<u>(492,853)</u>
Restricted fixed asset funds						
Assets held for depreciation	3,255,286	-	(193,317)	83,913	-	3,145,882
Devolved formula capital	-	17,394	-	(17,394)	-	-
Other capital income	-	53,140	-	(53,140)	-	-
	<u>3,255,286</u>	<u>70,534</u>	<u>(193,317)</u>	<u>13,379</u>	<u>-</u>	<u>3,145,882</u>
	<u>2,216,286</u>	<u>3,365,812</u>	<u>(3,718,977)</u>	<u>76,908</u>	<u>713,000</u>	<u>2,653,029</u>
Total of funds	<u>2,315,178</u>	<u>3,483,410</u>	<u>(3,731,579)</u>	<u>-</u>	<u>713,000</u>	<u>2,780,009</u>

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Notes to the Financial Statements
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18. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,145,882	3,145,882
Current assets	165,440	116,147	-	281,587
Creditors due within one year	(116,460)	-	-	(116,460)
Provisions for liabilities and charges	78,000	(609,000)	-	(531,000)
	<u>126,980</u>	<u>(492,853)</u>	<u>3,145,882</u>	<u>2,780,009</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,205,203	3,205,203
Current assets	202,936	-	-	202,936
Creditors due within one year	(129,947)	-	-	(129,947)
Provisions for liabilities and charges	-	(609,000)	-	(609,000)
	<u>72,989</u>	<u>(609,000)</u>	<u>3,205,203</u>	<u>2,669,192</u>

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(65,183)	(182,986)
Adjustment for:		
Depreciation charges	90,094	103,223
Decrease/(increase) in debtors	13,843	(3,412)
(Decrease)/increase in creditors	(13,481)	39,376
Capital grants from DfE and other capital income	(14,017)	(56,517)
Defined benefit pension scheme finance cost	98,000	107,000
Net cash provided by operating activities	<u>109,256</u>	<u>6,684</u>

20. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	224,018	131,518
Total	<u>224,018</u>	<u>131,518</u>

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21. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £101,865 (2017 - £114,541).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The

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21. Pension commitments (continued)

trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2018 was £91,000 (2017 - £89,000), of which employer's contributions totalled £71,000 (2017 - £69,000) and employees' contributions totalled £20,000 (2017 - £20,000). The agreed contribution rates for future years are 20% for employers and variable% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Commutation of pensions to lump sums	50.00 %	50.00 %
RPI increase	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	23.1	23
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	1,332,000	1,293,000
Discount rate -0.1%	1,395,000	1,354,000
Mortality assumption - 1 year increase	1,407,000	1,366,000
Mortality assumption - 1 year decrease	1,320,000	1,281,000
CPI rate +0.1%	1,390,000	1,348,000
CPI rate -0.1%	1,336,000	1,299,000

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2018

21. Pension commitments (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	568,000	502,000
Gilts	6,000	5,000
Other Bonds	74,000	69,000
Property	103,000	88,000
Cash and other liquid assets	25,000	23,000
Absolute return fund	56,000	27,000
	<hr/>	<hr/>
Total market value of assets	832,000	714,000
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The actual return on scheme assets was £34,000 (2017 - £74,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(154,000)	(154,000)
Past service cost	169,000	176,000
Interest income	20,000	10,000
Interest cost	(35,000)	(32,000)
	<hr/>	<hr/>
Total	-	-
	<hr/>	<hr/>
Actual return on scheme assets	34,000	74,000
	<hr/>	<hr/>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	1,323,000	1,450,000
Current service cost	154,000	154,000
Interest cost	35,000	32,000
Employee contributions	20,000	20,000
Actuarial gains	(162,000)	(326,000)
Benefits paid	(7,000)	(7,000)
	<hr/>	<hr/>
Closing defined benefit obligation	1,363,000	1,323,000
	<hr/>	<hr/>

GODINTON ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the period ended 31 August 2018

21. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	714,000	411,000
Interest income	20,000	10,000
Actuarial losses	14,000	211,000
Employer contributions	71,000	69,000
Employee contributions	20,000	20,000
Benefits paid	(7,000)	(7,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	832,000	714,000
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22. Operating lease commitments

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	2,620	2,620
Between 1 and 5 years	3,929	6,549
	<hr/>	<hr/>
Total	6,549	9,169
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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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.

24. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Mrs L King, spouse of Steve King, was employed during the year. She received remuneration, including pension contributions of £7,895 (2017: £7,712).