

Company Registration Number: 07352123 (England & Wales)

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**THE GILES ACADEMY**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**THE GILES ACADEMY**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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**Members**                    M Hill  
                                  S Westaway  
                                  R Turner (resigned 3 February 2020)  
                                  R Cowern

**Trustees**                    R Cowern, Chair of Trustees  
                                  H Banham  
                                  A Castley  
                                  S Curtis  
                                  M Hill  
                                  G Prior  
                                  D Relton  
                                  S Whelbourn  
                                  K Belcher (appointed 1 June 2020)  
                                  I Widdows (resigned 31 May 2020)

**Company registered  
number**                    07352123

**Company name**            The Giles Academy

**Registered office**        The Giles Academy  
                                  Church End  
                                  Old Leake  
                                  Boston  
                                  Lincs  
                                  PE22 9LD

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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<b>Company secretary</b>	D Burrell
<b>Chief executive officer</b>	K Belcher
<b>Senior management team</b>	I Widdows, Head Teacher to 21 April 2020 K Belcher, Deputy Head Teacher, Accounting Officer from 1 May 2020 J Diaz, Deputy Head Teacher S Pell, Deputy Head Teacher K Chrysostomou, Deputy Head Teacher
<b>Independent auditors</b>	Streets Audit LLP Windsor House A1 Business Park at Long Bennington Notts NG23 5JR
<b>Bankers</b>	Lloyds Bank plc 51 Market Place Boston Lincolnshire PE21 6NQ
<b>Solicitors</b>	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

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**THE GILES ACADEMY**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

On 1 September 2020 the academy transferred to another trust, South Lincolnshire Academies Trust, and accordingly these are completion accounts.

The Trust operates as an Academy for pupils aged 11 to 18 serving South Lincolnshire including Boston and Skegness. It has a pupil capacity of 1100 and had a roll of 785 on the school census at October 2020.

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

#### **Constitution**

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy.

The Trustees of The Giles Academy are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Giles Academy.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

#### **Members' liability**

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

#### **Trustees' indemnities**

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors and omissions occurring whilst on Academy business. The insurance provides cover up to a maximum value of £5,000,000.

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

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**Structure, governance and management (continued)**

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

The management of the Academy Trust is the responsibility of the Governors who are elected and co-opted under the terms set out in the Articles of Association.

The Governors are Directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of the charity legislation. Governors are appointed by Members.

Co-opted Governors are appointed by the Governing Body as and when vacancies occur or when individuals with the skills required are identified. Parent Governors shall be elected by parents of registered pupils in the Academy Trust, using the procedures set out in the Articles of Association. The Secretary of State retains the power to appoint additional Governors.

The term of office for any Governor is 4 years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be reappointed or re-elected.

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

Training and induction for new Governors is given on an individual basis and includes one to one meetings with key staff and Governors, visits to the school and training sessions provided both internally and externally.

**Organisational structure**

The Giles Academy began trading on 1 September 2010 and retained the governance and management structure already in place prior to the conversion as this was deemed wholly appropriate to the Academy Trust's objects. The management structure consists of four levels: The Governors, the Senior Leadership Team, Leadership Team, and Department Heads including support teams (Admin, SEN).

The Academy committee structure consists of 2 committees: Finance Committee (including audit) and Performance Management committee, which report to the Full Governing Body.

The key responsibilities of the Governing Body are to determine, in cooperation with the Senior Leadership Team, the strategic vision and ethos of the school, to hold the Academy to account by challenging and monitoring performance particularly regarding the achievements of students, quality of teaching, the quality of leadership and management and the behaviour of students and safety of both staff and students. The Governing Body is also responsible for ensuring financial probity and for acting as a responsible employer. At an operational level they regularly monitor the performance of the Headteacher and appoint the Headteacher as required.

The Senior Leadership Team manages the Academy Trust and implements the policies laid down by the Governing Body. They report back to the Governing Body through the full governor meetings regularly throughout the year. The Headteacher leads the SLT and is also the Academy Trust's Accounting Officer. Members of the SLT are responsible for developing and implementing the Academy Trust's plans in conjunction with agreed vision, ethos and objects of the Academy and do so within an agreed budget as approved by Governors. The SLT have line management responsibilities for Heads of Departments, Pastoral Teams including Progress Coordinators and Support Staff such as the Site Manager, Finance & Admin staff and Learning Support staff. Members of the SLT are shown on page 1.

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

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**Structure, governance and management (continued)**

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

For the year 2019/20 the process was that the Performance Management meet annually in the autumn term to review targets set for the Senior Leadership Team for the previous academic year. A performance management process was carried out to review progress against targets and pay reviews considered in conjunction with recommendations from the Headteacher.

**. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time**

	£	
Total cost of facility time	728	
Total pay bill	48,560	
Percentage of total pay bill spent on facility time	1	%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	1	%
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**Related parties and other connected charities and organisations**

The Giles Academy is a stand-alone academy with no federations or sponsorship.

In order to share best practices and continue to drive raising standards the Giles Academy has memberships with SSAT (Specialist Schools and Academies Trust), FASNA (Freedom and Autonomy for Schools National Association).

In addition, The Giles Academy were the founder members for the Lincolnshire Academies Converters Club and the National Association of Secondary Moderns (NASM).

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

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**Objectives and activities**

**Objects and aims**

The governors consider the main aims of the Academy to be:

- To ensure students are able to work in a happy and safe environment whilst in the school;
- To ensure students make continuous educational development;
- To move towards a judgement of "Good" from Ofsted.

In accordance with the Articles of Association, the Academy Trust has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, among other things the basis for admitting students to the Academy Trust, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the National Curriculum, arrangements for students with special educational needs and disabilities and arrangement for misbehaviour leading to both fixed term and permanent exclusions.

**Objectives, strategies and activities**

The principal object and activity of the charitable company is set out in the Articles of Association. In summary it is to advance for the public benefit, education in the United Kingdom by establishing, maintaining, carrying out, managing and developing a school offering a broad and balanced curriculum.

The strategy for The Giles Academy is encompassed in our ethos and values:

- All learners are welcome, regardless of age, ability, gender, ethnic origin, personal circumstances or need.
- Students are given opportunities to develop as active citizens and members of the community through varied activities, including participation in Giles Adventure and the Duke of Edinburgh Award.
- All learners feel motivated to excel because their needs are met through a policy of inclusion. Students are supported whether they are able and talented or have special educational needs.
- Parents and carers are involved with their children's learning through home-school partnerships, parents' meetings and discussions with tutors.
- Members of the local community are welcome and encouraged to be active participants in the life of the Academy.
- Clear, inspiring leadership by Governors and senior staff actively promote the commitment of the Academy to provide the high environment for life-long learning.

**Public benefit**

In line with the requirement for SORP and the Charity Commission, the Governors/Trustees can confirm they have had due regard to the definitions of "Public Benefit".



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

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**Strategic report**

**Achievements and performance**

For the year 2019/20 monthly records of income and expenditure were produced and compared against the budget by the Headteacher and the Finance Committee. They also receive budget variance reports, cash flows and detailed written commentaries.

KPI information is provided to both governors and Headteacher relating to pupil numbers, bank balances and potential financial risks. The Finance Committee also receives internal audit reports provided by an independent company.

Following the Ofsted report in November 2019, the Department for Education asked the South Lincolnshire Academies Trust (SLATrust) to offer immediate interim leadership support for the school. This was due to the continuing success seen at Bourne Academy and Spalding Academy.

This support has proven to be essential for the school. With no Headteacher in post the leadership and strategic direction of the school from January 2020 to August 2020 relied on the Executive Headteacher and the Executive Deputy Headteacher team from SLATrust, who needed to put in robust systems, particularly linked to behaviour, in order to support Governors, remaining school Leaders, teachers and the students. This has been particularly challenging due to the country being placed into a national lockdown due to the COVID-19 pandemic.

The COVID-19 pandemic has been the most significant aspect of 2019/2020. It has understandably had a significant impact on the running of Giles Academy including effectively implementing teaching, learning and health & safety systems to support the learners, which has been carried out in an exceptional way with SLATrust taking the lead. Giles Academy has successfully supported learners to achieve their best during the full lockdown period; provided free school meals; offered wellbeing support to many families; set up and facilitated a safe curriculum using Year Group Bubbles.

Giles Academy is looking forward to formally being a part of SLATrust and continuing the journey of improvement.

**Going concern**

The trustees were granted DfE approval for the activities, assets and liabilities of The Giles Academy to transfer to South Lincolnshire Academies Trust on 1 September 2020. Whilst all operations have been transferred on a continuing basis, it is expected that this legal entity will cease and be dissolved in due course as since 31 August 2020 it has become inactive. Accordingly, these accounts have been prepared on a cessation basis.

**Financial review**

**Reserves policy**

The trustees review the reserve levels of the Academy annually, and have determined that the appropriate level of free reserves should be equivalent to 1-2 months' expenditure.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Trust's current level of free reserves (restricted general funds less any restricted pension fund plus the unrestricted general fund) is below the ideal level. Work is ongoing to reduce expenditure in order to increase reserves.

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

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**Investment policy**

The Academy does not hold any investments other than bank accounts.

**Principal risks and uncertainties**

The principal risk to the Academy is maintaining student numbers. We are aware of the competition from neighbouring sponsored Academies.

Other financial risks facing the Academy and considered to be minimal due to the nature of the Academy and the fact that the financial instruments that they deal with are mainly bank balances, trade creditors and other debtors.

The financial officer performs regular reviews of cash flows to monitor the risk of the Academy facing cash flow difficulties and bank reconciliations are prepared and reviewed monthly along with management accounts.

The current principal risks are perceived as being external; the Trust does not have a sponsor and is reliant on the Department for Education for its funding. Definitive information regarding funding for future years is still not available making it difficult to plan ahead.

**Financial review**

Most of the Academy's income is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2020 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 these 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 the annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2020, total expenditure of £5,866,156 was covered by recurrent grant funding from the DfE (excluding Restricted Fixed Asset Funds and Pension Deficit). Incoming resources for the year totalled £5,891,941 (excluding Restricted Fixed Asset Funds). The deficit generated by expenditure over income for the year (excluding Restricted Fixed Asset Funds and other gains and losses) was £25,785.

At 31 August 2020, the net book value of fixed assets was £12,057,334 and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Position.

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

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**Financial risk management objectives and policies**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trustees Report.
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

**Fundraising**

We do not carry out any fundraising activities for the Academy's own benefit, other than voluntary non-uniform days for the students where £1 is charged and any funds are paid into our pupil welfare fund, which form part of our School Fund Accounts.

**Plans for future periods**

From September 2020, Giles Academy have joined the highly successful South Lincolnshire Academies Trust (SLATrust).

The SLATrust has a proven track record of secondary school improvement and will support Giles Academy on the necessary journey of change, in order to make the rapid improvement needed for the young people at the school to be successful. This is an incredible opportunity for the Giles Academy to work as part of a group of non-selective secondary schools in Lincolnshire. The SLATrust was established in 2016 and has two other schools, being Bourne Academy and Spalding Academy. The Leaders of this Trust are experienced in improving schools, which includes maintaining ongoing success at Bourne Academy and moving Spalding Academy, previously Sir John Gleed in Spalding, from Inadequate to Good in June 2019, within three years of being in the Trust.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

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

.....  
**R Cowern**  
Chair of Trustees

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**THE GILES ACADEMY**  
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**GOVERNANCE STATEMENT**

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**Scope of responsibility**

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

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

The board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 The Giles Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 7 times during the year.

Attendance during the year at meetings of the board of Trustees and sub-committee meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Cowern, Chair of Trustees	7	7
H Banham	6	7
A Castley	4	7
S Curtis	4	7
M Hill	7	7
G Prior	7	7
D Relton	6	7
S Whelbourn	7	7
I Widdows	5	7

There are meetings of Full Governing Body and Finance Committee which alternate every two months. The Performance Management Committee met with an External Advisor during the Autumn Term to consider the Headteacher's Performance.

NOTE: As a result of the school closure on 24 March 2020 due to Covid 19 restrictions, governors were unable to carry out the full schedule of meetings for the year 2019/20.

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**THE GILES ACADEMY**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

As accounting officer, the Head Teacher 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:

- Regularly reviewing the functions of the school, challenging how and why services are provided and setting targets and performance indicators for improvement.
- Monitoring outcomes and compare performance with similar schools within the area.
- Consulting appropriate stakeholders before major decisions are made, and
- Promoting fair competition through quotations and tenders to ensure that goods and services are secured in the most economic, efficient and effective way.

We will strive to ensure that the school is using its resources effectively to meet the needs of pupils. We will submit our Best Value statement with the annual budget plan. The progress of the annual budget plan and the Best Value statement will be monitored with the Academy Development Plan in order to determine the extent of continuous improvement.

The school has in place a strategy and a set of guidelines, updated annually, which will ensure that Best Value will be reviewed and demonstrated.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 The Giles Academy for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

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

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**THE GILES ACADEMY**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- identification and management of risks

The Board of Trustees has decided to employ Caroline Day of Days Accountancy Services 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 focused on:

- Management Letter Review
- Income
- Expenditure
- Payroll
- Balance sheet Accounts and Assets
- Governors
- Statutory Accounts
- General Finance Systems

On a termly basis, the internal auditor reports to the board of Trustees through the Finance Committee committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned. Internal Audits were carried out on 5 December 2019, 25 February 2020 and 30 June 2020.

There were no material control or other issues reported by the Internal Auditor to date.

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**THE GILES ACADEMY**  
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**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of effectiveness**

As accounting officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- 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 Committee committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:

.....  
**R Cowern**  
Chair of Trustees

.....  
**K Belcher**  
Accounting Officer

Date:

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**THE GILES ACADEMY**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of The Giles Academy I have considered my responsibility to notify the academy 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, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

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

**K Belcher**  
Accounting Officer  
Date:



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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 and signed on its behalf by:

.....  
**R Covern**  
Chair of Trustees

Date:

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**THE GILES ACADEMY**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
GILES ACADEMY**

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**Opinion**

We have audited the financial statements of The Giles Academy (the 'academy') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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**

As discussed in the Accounting Policies, the financial statements have not been prepared on a going concern basis.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
GILES ACADEMY (CONTINUED)**

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**Other information**

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

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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

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

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

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

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**THE GILES ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
GILES ACADEMY (CONTINUED)**

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**Responsibilities of trustees**

As explained more fully in the Trustees' responsibilities statement, 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.

**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](http://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.

**Mark Bradshaw (Senior statutory auditor)**

for and on behalf of

**Streets Audit LLP**

Windsor House

A1 Business Park at

Long Bennington

Notts

NG23 5JR

Date:

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**THE GILES ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GILES  
ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 2 June 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Giles Academy during the year 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Giles Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Giles Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Giles Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Giles Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Giles Academy's funding agreement with the Secretary of State for Education dated 1 September 2010 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our audit work involved:

- a review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering or quotation procedures had been followed in line with the Academy finance policy; and
- review of the internal audit reports.

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**THE GILES ACADEMY**  
**(A company limited by guarantee)**

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

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**Conclusion**

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

Mark Bradshaw (Senior statutory auditor)  
**Streets Audit LLP**

Windsor House  
A1 Business Park at  
Long Bennington  
Notts  
NG23 5JR

Date:

**THE GILES ACADEMY**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Income from:</b>						
Donations and capital grants	3	47,311	-	21,241	68,552	102,546
Charitable activities		-	5,599,761	-	5,599,761	5,494,256
Other trading activities		244,106	-	-	244,106	489,961
Investments	6	763	-	-	763	441
<b>Total income</b>		<b>292,180</b>	<b>5,599,761</b>	<b>21,241</b>	<b>5,913,182</b>	<b>6,087,204</b>
<b>Expenditure on:</b>						
Charitable activities		304,470	5,808,686	511,854	6,625,010	6,772,037
<b>Total expenditure</b>		<b>304,470</b>	<b>5,808,686</b>	<b>511,854</b>	<b>6,625,010</b>	<b>6,772,037</b>
<b>Net income /(expenditure)</b>		<b>(12,290)</b>	<b>(208,925)</b>	<b>(490,613)</b>	<b>(711,828)</b>	<b>(684,833)</b>
Transfers between funds	18	-	(52,773)	52,773	-	-
<b>Net movement in funds before other recognised gains/(losses) carried forward</b>		<b>(12,290)</b>	<b>(261,698)</b>	<b>(437,840)</b>	<b>(711,828)</b>	<b>(684,833)</b>

**THE GILES ACADEMY**  
(A company limited by guarantee)

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

Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
<b>Net movement in funds before other recognised losses brought forward</b>	<b>(12,290)</b>	<b>(261,698)</b>	<b>(437,840)</b>	<b>(711,828)</b>	<b>(684,833)</b>
<b>Other recognised gains/(losses):</b>					
Actuarial losses on defined benefit pension schemes	25 -	(36,000)	-	(36,000)	(603,000)
<b>Net movement in funds</b>	<b>(12,290)</b>	<b>(297,698)</b>	<b>(437,840)</b>	<b>(747,828)</b>	<b>(1,287,833)</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward	73,238	(1,289,669)	12,495,174	11,278,743	12,566,576
Net movement in funds	(12,290)	(297,698)	(437,840)	(747,828)	(1,287,833)
<b>Total funds carried forward</b>	<b>60,948</b>	<b>(1,587,367)</b>	<b>12,057,334</b>	<b>10,530,915</b>	<b>11,278,743</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 26 to 56 form part of these financial statements.



**THE GILES ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07352123**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	12,057,334	12,460,145
		<u>12,057,334</u>	<u>12,460,145</u>
<b>Current assets</b>			
Stocks	14	2,857	870
Debtors	15	173,108	175,149
Cash at bank and in hand		670,262	605,033
		<u>846,227</u>	<u>781,052</u>
Creditors: amounts falling due within one year	16	(509,146)	(494,454)
<b>Net current assets</b>		<u>337,081</u>	<u>286,598</u>
<b>Total assets less current liabilities</b>		<u>12,394,415</u>	<u>12,746,743</u>
Creditors: amounts falling due after more than one year	17	(112,500)	-
<b>Net assets excluding pension liability</b>		<u>12,281,915</u>	<u>12,746,743</u>
Defined benefit pension scheme liability	25	(1,751,000)	(1,468,000)
<b>Total net assets</b>		<u><u>10,530,915</u></u>	<u><u>11,278,743</u></u>

**THE GILES ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07352123**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>Funds of the academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	18	<b>12,057,334</b>	12,495,174
Restricted income funds	18	<b>163,633</b>	178,331
Restricted funds excluding pension asset	18	<b>12,220,967</b>	12,673,505
Pension reserve	18	<b>(1,751,000)</b>	(1,468,000)
<b>Total restricted funds</b>	18	<b>10,469,967</b>	11,205,505
<b>Unrestricted income funds</b>	18	<b>60,948</b>	73,238
<b>Total funds</b>		<b>10,530,915</b>	11,278,743

The financial statements on pages 21 to 56 were approved and authorised for issue by the Trustees and are signed on their behalf, by:

.....  
**R Cowern**  
 Chair of Trustees

Date:

The notes on pages 26 to 56 form part of these financial statements.

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**THE GILES ACADEMY**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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	<b>Note</b>	<b>2020</b> £	<i>2019</i> £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	<b>14,768</b>	<i>(146,377)</i>
<b>Cash flows from investing activities</b>	22	<b>(87,039)</b>	<i>(151,282)</i>
<b>Cash flows from financing activities</b>	21	<b>137,500</b>	<i>(56,000)</i>
<b>Change in cash and cash equivalents in the year</b>		<b>65,229</b>	<i>(353,659)</i>
Cash and cash equivalents at the beginning of the year		<b>605,033</b>	<i>958,692</i>
<b>Cash and cash equivalents at the end of the year</b>	23, 24	<b>670,262</b>	<i>605,033</i>

The notes on pages 26 to 56 form part of these financial statements

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**THE GILES ACADEMY**  
**(A company limited by guarantee)**

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

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

The Giles Academy meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

The trustees transferred the operations, assets and liabilities of the South Lincolnshire Academies Trust on 1 September 2020. Whilst the activities of the schools will continue this legal entity will cease and will be dissolved in due course. Accordingly, it is not appropriate for these accounts to be prepared on a going concern basis.

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**THE GILES ACADEMY**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.3 Income**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

**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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

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**THE GILES ACADEMY**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.5 Interest receivable**

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

**1.6 Tangible fixed assets**

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

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

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

Depreciation is provided on the following bases:

Freehold property	- land not depreciated, buildings 2% straight line
Long-term leasehold property	- land not depreciated, buildings 2% straight line
Furniture and equipment	- 25% straight line
Computer equipment	- 33% 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.

**1.7 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.8 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.

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**THE GILES ACADEMY**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.9 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.

**1.10 Liabilities**

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

**1.11 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

**1.12 Operating leases**

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

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**THE GILES ACADEMY**  
**(A company limited by guarantee)**

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

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**1. Accounting policies (continued)**

**1.13 Pensions**

Retirement benefits to employees of the academy 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

**1.14 Agency arrangements**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in Note 29.

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

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

Investment income, gains and losses are allocated to the appropriate fund.



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**THE GILES ACADEMY**  
**(A company limited by guarantee)**

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

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**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The judgements (apart from those involving estimations) that the Academy trust has made in the process of applying the trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

A third party valuation of land has been obtained due to the transfer into South Lincolnshire Academies Trust and this judgement has been used to revalue the land in the financial statements.



**THE GILES ACADEMY**  
(A company limited by guarantee)

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

**4. Funding for the academy's educational operations**

	<b>Restricted funds 2020 £</b>	<b>Total funds 2020 £</b>
General Annual Grant (GAG)	5,021,092	<b>5,021,092</b>
Other DfE/ESFA grants	507,755	<b>507,755</b>
Local authority grants	51,109	<b>51,109</b>
Other government grants	17,926	<b>17,926</b>
Other income	1,879	<b>1,879</b>
<b>Total 2020</b>	<u>5,599,761</u>	<u><b>5,599,761</b></u>

	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>
General Annual Grant (GAG)	5,018,569	5,018,569
Other DfE/ESFA grants	339,684	339,684
Local authority grants	61,662	61,662
Other government grants	40,512	40,512
Other income	33,829	33,829
<i>Total 2019</i>	<u>5,494,256</u>	<u>5,494,256</u>

**5. Income from other trading activities**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Catering	9,162	<b>9,162</b>
Parent Pay income	144,940	<b>144,940</b>
Sales to pupils	77,475	<b>77,475</b>
Other income	12,529	<b>12,529</b>
<b>Total 2020</b>	<u>244,106</u>	<u><b>244,106</b></u>

**THE GILES ACADEMY**  
(A company limited by guarantee)

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

**5. Income from other trading activities (continued)**

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Catering	30,289	30,289
Parent Pay income	242,268	242,268
Sales to pupils	199,509	199,509
Other income	17,895	17,895
<i>Total 2019</i>	<i>489,961</i>	<i>489,961</i>

**6. Investment income**

	<b>Unrestricted funds 2020 £</b>	<b>Total funds 2020 £</b>
Bank interest	763	<b>763</b>
	763	<b>763</b>

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Bank interest	441	441
	441	441

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**7. Expenditure**

	<b>Staff Costs 2020 £</b>	<b>Premises 2020 £</b>	<b>Other 2020 £</b>	<b>Total 2020 £</b>
Expenditure on raising voluntary income:				
Direct costs	-	-	-	-
Educational operations:				
Direct costs	4,241,866	-	351,517	<b>4,593,383</b>
Allocated support costs	722,327	218,258	1,095,042	<b>2,035,627</b>
	<u>4,964,193</u>	<u>218,258</u>	<u>1,446,559</u>	<u><b>6,629,010</b></u>
	<i>Staff Costs 2019 £</i>	<i>Premises 2019 £</i>	<i>Other 2019 £</i>	<i>Total 2019 £</i>
Educational operations:				
Direct costs	3,928,302	-	310,684	4,238,986
Allocated support costs	597,635	847,122	1,088,294	2,533,051
	<u>597,635</u>	<u>847,122</u>	<u>1,088,294</u>	<u>2,533,051</u>

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £</b>	<b>Support costs 2020 £</b>	<b>Total funds 2020 £</b>
Educational operations	<u>4,593,383</u>	<u>2,035,627</u>	<u><b>6,629,010</b></u>
	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Educational operations	<u>4,238,986</u>	<u>2,533,051</u>	<u>6,772,037</u>

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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Educational operations 2020 £</b>	<b>Total funds 2020 £</b>
Staff costs	722,327	<b>722,327</b>
Depreciation	265,604	<b>265,604</b>
Technology costs	10,002	<b>10,002</b>
Premises costs	218,258	<b>218,258</b>
Other support costs	555,502	<b>555,502</b>
Governance costs	50,469	<b>50,469</b>
Revaluation of tangible fixed assets	213,465	<b>213,465</b>
<b>Total 2020</b>	<u>2,035,627</u>	<u><b>2,035,627</b></u>
	<i>Educational operations 2019 £</i>	<i>Total funds 2019 £</i>
Staff costs	597,635	597,635
Depreciation	257,353	257,353
Technology costs	13,568	13,568
Premises costs	847,122	847,122
Other support costs	753,284	753,284
Governance costs	64,089	64,089
<i>Total 2019</i>	<u>2,533,051</u>	<u>2,533,051</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. Net expenditure**

Net expenditure for the year includes:

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
Operating lease rentals	<b>28,754</b>	<i>35,560</i>
Depreciation of tangible fixed assets	<b>299,947</b>	<i>269,703</i>
Gain on disposal of fixed assets	<b>(1,558)</b>	<i>-</i>
Fees paid to auditors for:		
- audit	<b>7,500</b>	<i>8,700</i>
- other services	<b>975</b>	<i>500</i>
	<b>=====</b>	<b>=====</b>

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**10. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2020</b>	<b>2019</b>
	£	£
Wages and salaries	3,553,621	3,459,662
Social security costs	342,701	334,055
Pension costs	925,114	630,159
	<b>4,821,436</b>	<b>4,423,876</b>
Agency staff costs	22,527	102,061
Staff restructuring costs	120,230	-
	<b>4,964,193</b>	<b>4,525,937</b>
	<b>2020</b>	<b>2019</b>
	£	£
Severance payments	120,230	-
	<b>120,230</b>	<b>-</b>

**b. Non-statutory/non-contractual staff severance payments**

Included in staff costs are non-statutory severance payments of £120,230.

Individually, the payments are £62,030, £43,100 and £15,100.

**c. Staff numbers**

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

	<b>2020</b>	<b>2019</b>
	No.	No.
Teachers and educational support	68	38
Administration and support	90	42
Management	5	6
	<b>163</b>	<b>86</b>



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**10. Staff (continued)**

**d. Higher paid staff**

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

	<b>2020</b>	<i>2019</i>
	<b>No.</b>	<i>No.</i>
In the band £60,001 - £70,000	<b>2</b>	<i>1</i>
In the band £110,001 - £120,000	<b>1</b>	<i>-</i>
In the band £120,001 - £130,000	<b>-</b>	<i>1</i>
	<b>=====</b>	<b>=====</b>

**e. Key management personnel**

The key management personnel of the academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy was £517,943 (*2019 £544,395*).

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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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020	2019
		£	£
I Widdows (resigned 31 May 2020)	Remuneration	110,000 -	120,000 -
		<b>115,000</b>	125,000
	Pension contributions paid	20,000 -	15,000 -
		<b>25,000</b>	20,000
K Belcher (appointed 1 June 2020)	Remuneration	15,000 -	nil
		<b>20,000</b>	
	Pension contributions paid	<b>0 - 5,000</b>	nil
D Relton	Remuneration	40,000 -	40,000 -
		<b>45,000</b>	45,000
	Pension contributions paid	10,000 -	5,000 -
		<b>15,000</b>	10,000
A Castley	Remuneration	30,000 -	30,000 -
		<b>35,000</b>	35,000
	Pension contributions paid	5,000 -	5,000 -
		<b>10,000</b>	10,000

During the year ended 31 August 2020, expenses were reimbursed or paid directly to 1 Trustee (2019 - to 1 Trustee) broken down as follows:

		2020	2019
		£	£
Travel		-	2,265
Curriculum items		<b>745</b>	-
		<b>745</b>	<b>2,265</b>

**12. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost of this insurance is included in the total insurance cost.

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**13. Tangible fixed assets**

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2019	12,889,472	1,587,360	199,352	233,224	14,909,408
Additions	-	54,297	16,908	39,474	110,679
Disposals	-	-	(177,084)	(198,165)	(375,249)
Revaluations	(213,465)	-	-	-	(213,465)
At 31 August 2020	<u>12,676,007</u>	<u>1,641,657</u>	<u>39,176</u>	<u>74,533</u>	<u>14,431,373</u>
<b>Depreciation</b>					
At 1 September 2019	1,862,176	193,546	184,989	208,552	2,449,263
Charge for the year	232,768	32,836	9,142	25,201	299,947
On disposals	-	-	(177,021)	(198,150)	(375,171)
At 31 August 2020	<u>2,094,944</u>	<u>226,382</u>	<u>17,110</u>	<u>35,603</u>	<u>2,374,039</u>

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

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**13. Tangible fixed assets (continued)**

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>Net book value</b>					
At 31 August 2020	<b>10,581,063</b>	<b>1,415,275</b>	<b>22,066</b>	<b>38,930</b>	<b>12,057,334</b>
<i>At 31 August 2019</i>	<i>11,027,296</i>	<i>1,393,814</i>	<i>14,363</i>	<i>24,672</i>	<i>12,460,145</i>

The leasehold property is held on a 125 year lease from Lincolnshire County Council.

Leasehold property additions relate to site security improvements.

A piece for land was revalued during the year based on a third party valuation. The charge has been recognised in support costs.

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

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**14. Stocks**

	<b>2020</b>	<i>2019</i>
	£	£
Finished goods and goods for resale	<b>2,857</b>	<i>870</i>

**15. Debtors**

	<b>2020</b>	<i>2019</i>
	£	£
<b>Due within one year</b>		
Trade debtors	-	<i>9,620</i>
Other debtors	<b>6,204</b>	<i>63,641</i>
Prepayments and accrued income	<b>166,904</b>	<i>101,888</i>
	<b>173,108</b>	<i>175,149</i>

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**16. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Other loans	25,000	-
Trade creditors	-	266,700
Other taxation and social security	73,168	80,971
Other creditors	78,729	66,949
Accruals and deferred income	332,249	79,834
	<b>509,146</b>	<b>494,454</b>
	<b>509,146</b>	<b>494,454</b>
	2020 £	2019 £
Deferred income at 1 September 2019	65,934	114,343
Resources deferred during the year	107,867	65,934
Amounts released from previous periods	(65,934)	(114,343)
	<b>107,867</b>	<b>65,934</b>
	<b>107,867</b>	<b>65,934</b>

Deferred income in the year relates to bus and school fund income relating to the next academic year, as well as capital funding for unstarted projects.

Included in other loans is a loan of £25,000 from ESFA (Salix) which is provided on the following terms:

- repayable in 6 monthly installments;
- no interest is charged;
- the loan is due to mature in 2025.

**17. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Other loans	112,500	-
	<b>112,500</b>	<b>-</b>

Included in other loans is a loan of £112,500 from ESFA (Salix) which is provided on the following terms:

- repayable in 6 monthly installments;
- no interest is charged;
- the loan is due to mature in 2025.

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**18. Statement of funds**

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>						
General funds	73,238	292,180	(304,470)	-	-	60,948
<b>Restricted general funds</b>						
General Annual Grant (GAG)	143,664	5,021,092	(4,948,350)	(52,773)	-	163,633
Other DfE/ESFA grants	34,667	507,755	(542,422)	-	-	-
Local Authority grants	-	51,109	(51,109)	-	-	-
Other income	-	19,805	(19,805)	-	-	-
Pension reserve	(1,468,000)	-	(247,000)	-	(36,000)	(1,751,000)
	<u>(1,289,669)</u>	<u>5,599,761</u>	<u>(5,808,686)</u>	<u>(52,773)</u>	<u>(36,000)</u>	<u>(1,587,367)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA grants	391,001	21,241	(15,127)	-	-	397,115
Capital expenditure from GAG	666,072	-	(25,936)	52,773	-	692,909
Other income	11,438,101	-	(470,791)	-	-	10,967,310
	<u>12,495,174</u>	<u>21,241</u>	<u>(511,854)</u>	<u>52,773</u>	<u>-</u>	<u>12,057,334</u>
<b>Total Restricted funds</b>	<u>11,205,505</u>	<u>5,621,002</u>	<u>(6,320,540)</u>	<u>-</u>	<u>(36,000)</u>	<u>10,469,967</u>
<b>Total funds</b>	<u><u>11,278,743</u></u>	<u><u>5,913,182</u></u>	<u><u>(6,625,010)</u></u>	<u><u>-</u></u>	<u><u>(36,000)</u></u>	<u><u>10,530,915</u></u>

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

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**18. Statement of funds (continued)**

Unrestricted funds

Unrestricted funds represent both those resources, as well as funds transferred to the Academy from the Local Authority upon conversion, which may be used towards meeting any of the objects of the Academy at the discretion of the Trustees. These are not currently designated for particular purposes.

Restricted Fixed Asset funds

Other income includes the assets transferred to the Academy from the Local Authority upon conversion.

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

Restricted Revenue funds

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the Academy.

Other ESFA Grants, other government grants and other restricted funds represent monies received for specific purposes.

Pension Reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Summary

The balance on restricted general funds plus unrestricted general funds at 31 August 2020 results in a net surplus of £224,581.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

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



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**18. Statement of funds (continued)**

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
<b>Unrestricted funds</b>						
General funds	34,652	600,883	(562,297)	-	-	73,238
<b>Restricted general funds</b>						
General Annual Grant (GAG)	30,413	5,048,822	(4,794,987)	(140,584)	-	143,664
Other DfE/ESFA grants	3,902	293,759	(262,994)	-	-	34,667
Local Authority grants	49,507	82,174	(131,681)	-	-	-
Other income	-	40,512	(40,512)	-	-	-
Other restricted general funds	(723,000)	-	(142,000)	-	(603,000)	(1,468,000)
	<u>(639,178)</u>	<u>5,465,267</u>	<u>(5,372,174)</u>	<u>(140,584)</u>	<u>(603,000)</u>	<u>(1,289,669)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA grants	944,027	21,054	(574,080)	-	-	391,001
Capital expenditure from GAG	534,102	-	(8,614)	140,584	-	666,072
Other income	11,692,973	-	(254,872)	-	-	11,438,101
	<u>13,171,102</u>	<u>21,054</u>	<u>(837,566)</u>	<u>140,584</u>	<u>-</u>	<u>12,495,174</u>
<b>Total Restricted funds</b>	<u>12,531,924</u>	<u>5,486,321</u>	<u>(6,209,740)</u>	<u>-</u>	<u>(603,000)</u>	<u>11,205,505</u>

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**18. Statement of funds (continued)**

	<i>Balance at 1 September 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2019</i>
	£	£	£	£	£	£
<b>Total funds</b>	<u>12,566,576</u>	<u>6,087,204</u>	<u>(6,772,037)</u>	<u>-</u>	<u>(603,000)</u>	<u>11,278,743</u>

**19. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	<b>Unrestricted funds 2020</b>	<b>Restricted funds 2020</b>	<b>Restricted fixed asset funds 2020</b>	<b>Total funds 2020</b>
	£	£	£	£
Tangible fixed assets	-	-	12,057,334	<b>12,057,334</b>
Current assets	60,948	785,279	-	<b>846,227</b>
Creditors due within one year	-	(509,146)	-	<b>(509,146)</b>
Creditors due in more than one year	-	(112,500)	-	<b>(112,500)</b>
Provisions for liabilities and charges	-	(1,751,000)	-	<b>(1,751,000)</b>
<b>Total</b>	<u>60,948</u>	<u>(1,587,367)</u>	<u>12,057,334</u>	<u><b>10,530,915</b></u>

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2019</i>	<i>Restricted funds 2019</i>	<i>Restricted fixed asset funds 2019</i>	<i>Total funds 2019</i>
	£	£	£	£
Tangible fixed assets	-	-	12,460,145	12,460,145
Current assets	73,238	672,785	35,029	781,052
Creditors due within one year	-	(494,454)	-	(494,454)
Provisions for liabilities and charges	-	(1,468,000)	-	(1,468,000)
<b>Total</b>	<u>73,238</u>	<u>(1,289,669)</u>	<u>12,495,174</u>	<u>11,278,743</u>

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**20. Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net expenditure for the period (as per Statement of financial activities)	<b>(711,828)</b>	<b>(684,833)</b>
<b>Adjustments for:</b>		
Depreciation	<b>299,947</b>	269,783
Capital grants from DfE and other capital income	<b>(21,241)</b>	(75,063)
Interest receivable	<b>(763)</b>	(441)
Defined benefit pension scheme cost less contributions payable	<b>217,000</b>	120,000
Defined benefit pension scheme finance cost	<b>30,000</b>	22,000
(Increase)/decrease in stocks	<b>(1,987)</b>	401
Decrease in debtors	<b>2,041</b>	517,145
Decrease in creditors	<b>(10,308)</b>	(369,378)
Capital grants repayable to DfE	-	54,009
Impairment of tangible assets	<b>213,465</b>	-
Profit on disposal of tangible assets	<b>(1,558)</b>	-
<b>Net cash provided by/(used in) operating activities</b>	<b>14,768</b>	<b>(146,377)</b>

**21. Cash flows from financing activities**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cash inflows from new borrowing	<b>137,500</b>	-
Repayments of borrowing	-	(56,000)
<b>Net cash provided by/(used in) financing activities</b>	<b>137,500</b>	<b>(56,000)</b>

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**22. Cash flows from investing activities**

	2020 £	2019 £
Dividends, interest and rents from investments	763	441
Purchase of tangible fixed assets	(110,679)	(172,777)
Proceeds from the sale of tangible fixed assets	1,636	-
Capital grants from DfE Group	21,241	75,063
Capital grants repayable to DfE	-	(54,009)
<b>Net cash used in investing activities</b>	<b>(87,039)</b>	<b>(151,282)</b>

**23. Analysis of cash and cash equivalents**

	2020 £	2019 £
Cash in hand	670,262	605,033
<b>Total cash and cash equivalents</b>	<b>670,262</b>	<b>605,033</b>

**24. Analysis of changes in net debt**

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	605,033	65,229	670,262
Debt due within 1 year	-	(25,000)	(25,000)
Debt due after 1 year	-	(112,500)	(112,500)
	<b>605,033</b>	<b>(72,271)</b>	<b>532,762</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**25. Pension commitments**

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

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

Contributions amounting to £78,647 were payable to the schemes at 31 August 2020 (2019 - £63,136) and are included within creditors.

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

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**25. Pension commitments (continued)**

The employer's pension costs paid to TPS in the year amounted to £545,365 (2019 - £357,873).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £176,000 (2019 - £147,000), of which employer's contributions totalled £136,000 (2019 - £112,000) and employees' contributions totalled £ 40,000 (2019 - £35,000). The agreed contribution rates for future years are 19.4 per cent for employers and various per cent for employees.

As described in note the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

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**

	<b>2020</b>	<b>2019</b>
	%	%
Rate of increase in salaries	<b>2.5</b>	2.7
Rate of increase for pensions in payment/inflation	<b>2.2</b>	2.3
Discount rate for scheme liabilities	<b>1.7</b>	1.9
Inflation assumption (CPI)	<b>2.2</b>	2.3

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

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**25. Pension commitments (continued)**

	<b>2020</b>	<i>2019</i>
	<b>Years</b>	<i>Years</i>
<i>Retiring today</i>		
Males	<b>21.4</b>	<i>21.2</i>
Females	<b>23.7</b>	<i>23.5</i>
<i>Retiring in 20 years</i>		
Males	<b>22.4</b>	<i>22.5</i>
Females	<b>25.2</b>	<i>25.2</i>

**Sensitivity analysis**

**Share of scheme assets**

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

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<i>£</i>
Equities	<b>1,568,000</b>	<i>1,657,000</i>
Corporate bonds	<b>455,000</b>	<i>363,000</i>
Property	<b>227,000</b>	<i>227,000</i>
Cash and other liquid assets	<b>23,000</b>	<i>23,000</i>
<b>Total market value of assets</b>	<b>2,273,000</b>	<i>2,270,000</i>

The actual return on scheme assets was £(140,000) (*2019 - £127,000*).

The amounts recognised in the Statement of financial activities are as follows:

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<i>£</i>
Current service cost	<b>(353,000)</b>	<i>(217,000)</i>
Past service cost	<b>-</b>	<i>(15,000)</i>
Interest income	<b>45,000</b>	<i>58,000</i>
Interest cost	<b>(75,000)</b>	<i>(80,000)</i>
<b>Total amount recognised in the Statement of financial activities</b>	<b>(383,000)</b>	<i>(254,000)</i>

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**25. Pension commitments (continued)**

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

	2020 £	2019 £
<b>At 1 September</b>	<b>3,738,000</b>	2,749,000
Current service cost	353,000	217,000
Interest cost	75,000	80,000
Employee contributions	40,000	35,000
Actuarial (gains)/losses	(149,000)	672,000
Benefits paid	(33,000)	(30,000)
Past service costs	-	15,000
<b>At 31 August</b>	<b>4,024,000</b>	3,738,000

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

	2020 £	2019 £
<b>At 1 September</b>	<b>2,270,000</b>	2,026,000
Interest income	45,000	58,000
Actuarial (losses)/gains	(185,000)	69,000
Employer contributions	136,000	112,000
Employee contributions	40,000	35,000
Benefits paid	(33,000)	(30,000)
<b>At 31 August</b>	<b>2,273,000</b>	2,270,000

**26. Operating lease commitments**

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

	2020 £	2019 £
Not later than 1 year	28,754	56,433
Later than 1 year and not later than 5 years	37,128	59,553
	<b>65,882</b>	115,986



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**27. 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.

**28. Related party transactions**

Owing to the nature of the academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

H Banham, a trustee, is a member of Skegness Amateur Swimming Club (ASC). During the year, Skegness ASC paid the academy £1,700 for use of the swimming pool. No amounts were outstanding at the balance sheet date.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

**29. Post balance sheet events**

On 1 September 2020 the academy joined South Lincolnshire Academies Trust.

**30. Agency arrangements**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2020 the trust received £4,561 and disbursed £16,009 from the fund. An amount of £18,082 in creditors.

**31. Transfer out on academies leaving the academy**

**The Giles Academy**

	<b>Transfer out on academy leaving the trust £</b>
<b>Intangible assets</b>	
<b>Tangible fixed assets</b>	
Freehold property	10,581,063
Long-term leasehold property	1,415,275
Furniture and equipment	22,066

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**31. Transfer out on academies leaving the academy (continued)**

	<b>Transfer out on academy leaving the trust £</b>
Computer equipment	38,930
<b>Current assets</b>	
Stocks	2,857
Debtors due within one year	173,108
Cash at bank and in hand	670,262
<b>Liabilities</b>	
Creditors due within one year	(509,146)
Creditors due after one year	(112,500)
<b>Pensions</b>	
Pensions - pension scheme assets	2,273,000
Pensions - pension scheme liabilities	(4,024,000)
<b>Net assets</b>	<u>10,530,915</u>