Registered number: 08919795 (England and Wales)

GREEN LANE PRIMARY ACADEMY LIMITED

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

GREEN LANE PRIMARY ACADEMY LIMITED

(A company limited by guarantee)

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GREEN LANE PRIMARY ACADEMY LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2016

Members

J Berry
SP Hameed
J Lucas
MV Pagan
J Walsh

Governors

MV Pagan, Chair[1]
H Ellis, Vice Chair[1,2]
J Lucas, Co-Head Teacher[1,2,3]
J Walsh, Co-Head Teacher[1,2,3]
C Armitage[2]
J Berry[1]
K Bowe[1,2]
LV Donner (appointed 30 November 2015)[1]
L Etherington[2,3]
SP Hameed[2]
P Heywood (resigned 31 August 2016)[1,2]
HE McLean[1,2,3]
AJW Pear[1]
SK Riaz[2]

1 Members of the Finance, Audit and Resources Committee
2 Members of the Raising Achievement and Pupil Welfare
3 Staff Governors

Company registered number

08919795

Company name

Green Lane Primary Academy Limited

Principal and registered office

Green Lane
Middlesbrough
Cleveland
TS5 7RU

Senior leadership team

J Lucas, Co-Head Teacher
J Walsh, Co-Head Teacher
H McLean, Deputy Head Teacher
J Thackstone, Deputy Head Teacher
J Hall, Assistant Head Teacher
C French, Assistant Head Teacher
L Airey, Senior Administrator
H Bone, School Business Manager

Advisers (continued)

Independent auditors

Clive Owen LLP
Chartered Accountants
and Statutory Auditors
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

Bankers

Lloyds Bank
83 -85 Linthorpe road
Middlesbrough
TS1 5BU

Solicitors

Sintons LLP
The Cube
Barrack Road
Newcastle upon Tyne
NE4 6DB

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2016

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

The trust operates an Academy for pupils aged 3 to 11 serving a catchment area in Middlesbrough. It has a pupil capacity of 630 plus 78 nursery places and had a roll of 701 in the school census on 1 October 2015.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company is the operation of Green Lane Primary Academy to provide education for students of different abilities between the ages of 3 and 11.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum with emphasis on providing high quality teaching and learning in all curriculum areas.

The main objectives of the Academy during the year ended 31 August 2016 are summarised below:

1) To improve standards in Reading. In particular:

- to improve the % of children achieving age expectation at KS1
- to improve the % of children achieving age expectation at KS2

2) To aim for high quality targeted and focussed interventions ensuring that:

- the gap is narrowed between all major identified groups
- individual children of all abilities are kept on track to reach their targets
- those children just below age expectation are given extra support to accelerate progress to ensure maximum progress for all children and to increase percentages in each year group achieving age expectation

3) To ensure that planning, teaching and assessment in all year groups is clearly focussed on improving outcomes and that pupils make at least expected progress; thus ensuring that outcomes at KS1 and KS2 are at least in-line with similar schools nationally.

Objectives, strategies and activities

The Academy's main objectives are encompassed in its Statement of Curriculum Aims and in a continued drive to improve teaching and learning. To this end the objectives and the strategies used to achieve them include:

The Aims of the Curriculum are to meet the needs of individual children:

- by ensuring equality of opportunity for girls and boys from all cultural backgrounds and opportunities for achievement and success for all children including those with special needs and talents,
- by providing a wide range of experiences that offer challenge appropriate to the age and ability of individual children,
- by promoting purposeful teaching and learning that develops lively and enquiring minds,
- to build on the strengths, needs, expectations, attitudes and interests that individual children bring from home to school and to encourage and build on the home/school partnership,
- to develop in each child the ability to relate and co-operate with others in the process of learning; to foster respect for religious and moral values, and tolerance of other races, religions and ways of life,

OBJECTIVES AND ACTIVITIES (CONTINUED)

Objectives, strategies and activities (continued)

- to provide a broad-based creative curriculum that provides practice, enrichment and progression and makes full use of first hand experiences,
- to ensure a match between the abilities of individual children and their learning activities,
- to promote continuity of educational experience and progression from stage to stage and within stages, so that children feel secure and confident in themselves as learners,
- to provide the opportunity for children to imagine, question, reason, choose, observe, experience, explain, test, estimate, problem-solve, deduce, hypothesise, evaluate and record,
- to encourage children to become confident, independent learners (able to recognise and value their mistakes and to pursue knowledge, understanding and skills through their own efforts and interests).

Specifically in the 15/16 Academic year our objectives were:

1. To improve standards in Reading to match those of Writing and Maths. In particular:

- to improve the % of children achieving above age expectation at KS1 (previously L3)
- to improve the % of children achieving age related expectation (previously L4) to more closely match performance in Writing and Maths

2. To aim for high quality teaching and learning and assessment in the New National Curriculum, embedding new formative and summative assessment systems and procedures and ensuring that the large majority of children (75% +)achieve age related expectations or above in mid key stage year groups and that outcomes at KS1 and KS2 are above that of all children nationally.

3. To carry out a full strategic and practical review of the methodology, materials, impact and all aspects of current practice in Reading from EYFS to Year 6.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 3 and 11.

Public benefit

The Academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The Governors have complied with the duty under Section 4 of the Charities act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the Governors have considered this guidance in deciding what activities the Academy should undertake.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

At KS2 attainment is above national benchmarks in Writing and Grammar Punctuation and Spelling (GPS) and slightly below national in Reading and Maths. This is the first year of the new national curriculum tests.

At KS1 attainment is broadly in line with national benchmarks at Expected but above national for performance at Greater Depth. This demonstrates good progress from below national averages at EYFS for this cohort. Outcomes in EYFS are above national averages across most areas representing a continuing upward trend.

Key Stage 2 Attainment and Achievement:

Reading	**School Performance**	**National Average 2015/16**
Scaled Score	101.4	102.6
At Expected or Better	61.5%	65.6%
Writing		
At Expected or Better	87.9%	74%
At Greater Depth	26.4%	N/A
Maths		
Scaled Score	101.8	103.0
At Expected or Better	65.9%	69.7%
GPS		
Scaled Score	104.8	104.0
At Expected or Better	74.7%	72.4%

Key Stage 1 Attainment and Achievement:

Reading	**School Performance**	**National Average 2015/16**
At Expected or Better	74.4%	74.0%
At Greater Depth	25.6%	23.6%
Writing		
At Expected or Better	63.3%	65.5%
At Greater Depth	15.6%	13.3%
Maths		
At Expected or Better	70.0%	72.6%
At Greater Depth	22.2%	17.8%

	% at Age Expect. end of EYFS	**% at Age Expect. end of KS1**	**% Above Age Expect. end of EYFS**	**% at Greater Depth end of KS1**
Reading	62.0%	73.6%	17.5%	25.3%
Writing	62.6%	60.0%	18.6%	15.4%
Maths	63.0%	69.0%	17.5%	22.0%

ACHIEVEMENTS AND PERFORMANCE (CONTINUED)

Phonics	School Performance	National Average
All Pupils	77.8%	81.3%
Boys	84.0%	N/A
Girls	70.0%	N/A

EYFS Outcomes

	School	National
Good Level Development- All	74.7%	69.3%
Average Points Score	35.2	34.4

FINANCIAL REVIEW

Going concern

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

Financial Review

Most of the Academy's income is obtained from the Department of Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the year ended 31 August 2016 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/EFA. In accordance with The Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2015) and FRS102, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure of £3,076,000 was exceeded by recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of income over expenditure for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £148,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Academy's objectives.

At 31 August 2016 the net book value of fixed assets was £6,994,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £1,073,000 recognised on the balance sheet.

The Academy held fund balances at 31 August 2016 of £6,268,000 comprising of £6,170,000 of restricted funds and £98,000 of unrestricted funds.

FINANCIAL REVIEW (CONTINUED)

Principal risks and uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/EFA. In addition the Academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the Academy balance sheet.

The Governors have assessed the major risks, to which the Academy is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The Academy has fully implemented the requirements of the Safe Recruitment procedures and all staff have received training in this area in addition to training on Child Protection.

The Academy is subject to a number of risks and uncertainties in common with other academies. The Academy has in place procedures to identify and mitigate financial risks.

Reserves policy

The academy holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held to cover ongoing costs in relation to the running of the academy including catering provisions, school trips and uniform costs for example.

The level of reserves is reviewed by the Governors regularly throughout the year. The minimum level of reserves for the ongoing needs of an academy is reviewed by the Governors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves of £220,000.

This is considered sufficient working capital to cover delays between spending and receipt of grants and provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The academy's current level of free reserves are in surplus by £98,000. In addition there is GAG carry forward available of £242,000 and therefore overall free reserves are considered to be above the level of reserves required for the ongoing needs of the academy. £23,000 of the GAG carry forward is earmarked for capital projects and a further £10,000 for maintenance and repairs. If the academy is successful in its bid for funding to provide 30 hour nursery provision it will be required to make a financial contribution, which is estimated to be £25,000.

The Governors continue to consider additional activities related to the academy's objectives to which excess reserves may be applied, including:

a) Further capital improvements to the premises and teaching facilities
b) Protection against the uncertainty in relation to the national funding formula
c) Protection against the uncertainty over future pension contribution rates

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 trust.

The Governors of Green Lane Primary Academy Limited are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Green Lane Primary Academy Trust.

Details of the Governors who served during the year 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.

Method of recruitment and appointment or election of Governors

The Academy Trust may appoint up to 18 Governors. The governing body comprises of the Co-Head Teachers, Member Appointed Governors, Staff Governors, Parent Governors and Co-Opted Governors. The number of each type of Governor is subject to limits determined by the Trust's Articles of Association.

The term of office for any Governor shall be four years, with the exception of the Co-Head Teachers who hold ex officio posts and the Chair and Vice-Chair whose term is one year. Each school year the governing body shall elect a Chair and Vice-chair from among their number. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Members may appoint Governors, however Co-Opted Governors may be appointed by Governors, providing they themselves are not co-opted.

Parent Governors are appointed by election (unless the number of parents standing for election is less than the number of vacancies - in this instance the Governing body will appoint parent governors). They are elected by parents of registered pupils and at the time of election be the parent of a registered pupil of the Academy.

The Academy Trust recognises the need to recruit Governors with the necessary skills and experience. Vacancies are publicised and expressions of interests in joining the Governing Body are invited via the Academy website. Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new governors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Governors are given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two governors a year, induction tends to be done informally and is tailored specifically to the individual.

Pay policy for key management personnel

The Head Teachers are appraised by the Governing Body, supported by a suitably skilled and/or experienced external adviser who has been appointed by the Governing Body for that purpose. The task of appraising the Head Teachers, including the setting of objectives, will be delegated to a sub-group consisting of normally 3 members of the Pay Committee. The external adviser is not responsible for determining a recommendation to the pay committee on whether an increment should be paid to the head teacher, following the review; this is a matter for the Governor's panel alone. However, Governors can ask for advice and should take account of any advice offered.

The rest of the Leadership Team are appraised by the Head Teachers with pay recommendations made to the Governing Body by the Staff Pay and Performance Committee.

Organisational structure

During the year, the Academy continued to operate a unified management structure. The Structure consists of three levels: the Governors, the Senior Leadership Team and the TLR Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.
The Governors are responsible for:

- setting policy
- adopting an annual improvement plan and budget
- monitoring the Academy and making decisions about its strategic direction
- making decisions about and monitoring capital expenditure
- adopting an annual staffing structure, including new appointments

The Governing Body consists of 14 Governors and includes the two Co-Head Teachers, two staff Governors, four parent Governors, five member appointed Governors and one co-opted Member. The Senior Leadership Team consists of the Co-Head Teachers, Deputy Head Teachers, Assistant Head Teachers, School Business Manager and Senior Administrator. The TLR Team includes all teaching staff who hold a responsibility for leading an area of work within the Academy. They work closely with the Senior Leadership Team to develop the strategic direction of their areas of responsibility as well as the day to day management of these areas and year group teams.

Governors' indemnities

The Academy has purchased insurance to protect Governors from claims arising against negligent acts, errors or omissions occurring whilst on Academy business. Further details are provided in note 11.

PLANS FOR FUTURE PERIODS

Future developments

1) To improve standards in Reading. In particular:
- to improve the % of children achieving above age expectation at KS1
- to improve the % of children achieving age related expectation at KS2

2) To aim for high quality targeted and focussed interventions ensuring that:
- the gap is narrowed between all major identified groups
- individual children of all abilities are kept on track to reach their targets
- those children just below age expectation are given extra support to accelerate progress all to ensure maximum progress for all children and to increase percentages in each year group achieving age expectation

3) To ensure that planning, teaching and assessment in all year groups is clearly focussed on improving outcomes and that pupils make at least expected progress; thus ensuring that outcomes at KS1 and KS2 are at least in-line with similar schools nationally.

4) To develop provision for nursery children who are entitled to 30 hour child-care. This will include:
- Producing a feasibility study and carrying out a parent survey
- Investigating possible adaptations to the existing building to create capacity
- Submitting a LA capital bid to cover the major cost any building works

Disclosure of information to auditors

Insofar as the Governors are aware:

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

This report was approved by order of the Board of Governors as the company directors, on 5 December 2016 and signed on its behalf by:

MV Pagan, Chair
Chair of Governors

GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the Co-Head Teachers, 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 Green Lane Primary Academy Limited and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The Board of Governors has formally met 3 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
MV Pagan, Chair	3	3
H Ellis, Vice Chair	3	3
J Lucas, Co-Head Teacher	3	3
J Walsh, Co-Head Teacher	3	3
C Armitage	3	3
J Berry	2	3
K Bowe	2	3
LV Donner	3	3
L Etherington	3	3
SP Hameed	3	3
P Heywood	2	3
HE McLean	3	3
AJW Pear	2	3
SK Riaz	0	3

As part of the Academy Trust's ongoing review of governance, the governing body has worked alongside their governance support partner to evaluate the effectiveness and roles of committee chairs.

The appointment of a new Governor has prompted a review of the induction process to ensure that it is fit for purpose. This process has been supported by the Academy's governance support partner. LV Donner, who is a qualified accountant, has been appointed after last year's skills audit highlighted the need for a Governor with financial skills.

A governance review is planned for 2016 and is to be led by the trust's governance support.

The Finance and Resources Committee is a sub-committee of the main Board of Governors. Its purpose is to consider the Academy's funding and expenditure and approve expenditure within its delegated limits. The committee will make recommendations to the full governing body where necessary. During the year LV Donner joined the committee.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
J Berry	3	3
K Bowe	3	3
L Donner	2	2
H Ellis	2	3
P Heywood	2	3
J Lucas	3	3
HE McLean	3	3
MV Pagan	3	3
AJW Pear	3	3
J Walsh	3	3

Review of Value for money

As Accounting Officer, the Co-Head Teachers 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 Governors 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:

Financial Governance and Monitoring

The budget for the Academy is agreed by the Finance, Audit and Resources Committee and the Full Governing Body at the start of each academic year. A report is presented by the School Business Manager on the suggested allocation of funds across the various areas of spending and this has to be approved and submitted to the EFA before the start of the academic year.

Budget and management reports are produced regularly and a summary presented to the Finance, Audit and Resources Committee and the Full Governing Body each term.

These reports are reviewed and analysed and provide a clear audit trail of spending over the academic year. Any large expenditure items are presented to the Full Governing Body which decides on the appropriateness of the spending suggested.

Purchasing

Green Lane Primary Academy operates a best value strategy for purchasing provision. Contracts and levels of service are reviewed on a regular basis to ensure that competitive pricing structure is in place.

An online management system is used to support the reviewing of contracts in place.

An approved Insurance Broker is used for transparency and best value purposes to ensure the most appropriate insurance cover for the Academy.

We are constantly investigating other possible areas of income streams.

Financial Control Measures

Controls are in place to ensure all orders are authorised at the appropriate level.

Internal Assurance is carried out termly to review the Academy's financial procedures and to report findings and recommendations for improvement.

Bank statements and reconciliations are carried out at least monthly and an external accountant attends the Academy as required to support and advise on the accountancy system.

Financial Control Measures (continued)

External Auditors have been appointed to conduct a year end audit. All appropriate policies, including Risk Management and Emergency Procedures, are in place and reviewed regularly for updates.

All statutory inspections and reviews are carried out during the academic year and reports produced, recording findings and recommendations for improvement or change.

Curriculum and Academy Improvement Plan

Academy Improvement Plan 2015-16 priorities include implementation of:

- New National Curriculum
- Assessment processes
- SEND
- Administrative and Financial Review
- Developing Strategic Partnerships e.g. school to school support.

The budget is set out to ensure that TLRs receive the correct level of financial support to deliver the curriculum in the most effective and efficient manner. These levels of financial support are agreed with TLRs at the beginning of the financial year so that realistic and achievable targets are met in line with the Academy Improvement Plan and Annual Work Programmes.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Green Lane Primary Academy Limited for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Governors 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 Governors 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

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 Governors;
- regular reviews by the Finance, Audit 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.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Risk and Control Framework (continued)

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Clive Owen LLP, the external auditors, to perform additional checks.

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

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations
- Review of risk register
- Review of income streams
- Testing of expenses and petty cash systems
- Review of fixed asset
- Review of accounting systems

The external auditors have delivered their schedule of work as planned and no material control issues have arisen as a result of their work.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a termly basis, the auditors report to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

Review of Effectiveness

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

- The work of the external auditor's internal assurance reports
- the work of the external auditors;
- the financial management and governance self-assessment process;
- 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, Audit and Resource 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 Governors on 5 December 2016 and signed on their behalf, by:

MV Pagan
Chair of Governors

J Lucas
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Green Lane Primary Academy Limited I have considered my responsibility to notify the Academy trust Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy trust Board of Governors are able to identify any material irregular or improper use of funds by the Academy trust, or material non-compliance with the terms and conditions of funding under the Academy trust's funding agreement and the Academies Financial Handbook 2015.

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 Governors and EFA.

J Lucas
Accounting Officer

5 December 2016

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors 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 Governors on 5 December 2016 and signed on its behalf by:

MV Pagan
Chair of Governors

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GREEN LANE PRIMARY ACADEMY LIMITED

We have audited the financial statements of Green Lane Primary Academy Limited for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 opinion we have formed.

Respective responsibilities of Governors and auditors

As explained more fully in the Statement of Governors' responsibilities, the Governors (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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF GREEN LANE PRIMARY ACADEMY LIMITED

Matters on which we are required to report by exception

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

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

Clive Owen LLP

Kevin Shotton BA FCA (Senior statutory auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants
and Statutory Auditors

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT
5 December 2016

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO GREEN LANE PRIMARY ACADEMY LIMITED AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 14 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Green Lane Primary Academy Limited during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Green Lane Primary Academy Limited's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Green Lane Primary Academy Limited's funding agreement with the Secretary of State for Education dated 20 March 2014, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO GREEN LANE PRIMARY ACADEMY LIMITED AND THE EDUCATION FUNDING AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy.

Conclusion

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

Clive Owen LLP

Clive Owen LLP

Reporting Accountant

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

5 December 2016

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	*Total funds 2015 £000*
INCOME FROM:						
Donations and capital grants:						
Transfer from Local Authority on conversion	2	-	-	-	-	*6,581*
Other donations and capital grants	2	-	7	17	24	*240*
Charitable activities	5	-	2,841	-	2,841	*3,831*
Other trading activities	3	218	-	-	218	*290*
Investments	4	1	-	-	1	*1*
TOTAL INCOME		219	2,848	17	3,084	*10,943*
EXPENDITURE ON:						
Charitable activities		212	2,707	157	3,076	*3,983*
TOTAL EXPENDITURE	7	212	2,707	157	3,076	*3,983*
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		7	141	(140)	8	*6,960*
Transfers between Funds	15	(3)	(194)	197	-	*-*
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES		4	(53)	57	8	*6,960*
Actuarial losses on defined benefit pension schemes	20	-	(604)	-	(604)	*(96)*
NET MOVEMENT IN FUNDS		4	(657)	57	(596)	*6,864*
RECONCILIATION OF FUNDS:						
Total funds brought forward		94	(171)	6,941	6,864	*-*
TOTAL FUNDS CARRIED FORWARD		98	(828)	6,998	6,268	*6,864*

GREEN LANE PRIMARY ACADEMY LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 08919795

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£000	2016 £000	£000	2015 £000
FIXED ASSETS					
Tangible assets	12		6,994		6,733
CURRENT ASSETS					
Debtors	13	230		175	
Cash at bank and in hand		436		613	
		666		788	
CREDITORS: amounts falling due within one year	14	(319)		(246)	
NET CURRENT ASSETS			347		542
TOTAL ASSETS LESS CURRENT LIABILITIES			7,341		7,275
Defined benefit pension scheme liability	20		(1,073)		(411)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			6,268		6,864
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	15	245		240	
Restricted fixed asset funds	15	6,998		6,941	
Restricted funds excluding pension liability		7,243		7,181	
Pension reserve		(1,073)		(411)	
Total restricted funds			6,170		6,770
Unrestricted funds	15		98		94
TOTAL FUNDS			6,268		6,864

The financial statements were approved by the Governors, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:

M V Pagan

MV Pagan, Chair
Chair of Governors

The notes on pages 24 to 43 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £000	*2015 £000*
Cash flows from operating activities			
Net cash provided by operating activities	17	223	*447*
Cash flows from investing activities:			
Dividends, interest and rents from investments		1	*1*
Purchase of tangible fixed assets		(418)	*(164)*
Capital grants from DfE/EFA		11	*236*
Capital funding received from sponsors and others		6	*-*
Cash inherited on conversion		-	*93*
Net cash (used in)/provided by investing activities		(400)	*166*
Change in cash and cash equivalents in the year		(177)	*613*
Cash and cash equivalents brought forward		613	*-*
Cash and cash equivalents carried forward		436	*613*

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

Green Lane Primary Academy Limited constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Green Lane Primary Academy Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Green Lane Primary Academy Limited for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Governors have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 23.

1.2 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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1.4 EXPENDITURE

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

Charitable activities 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.

1.5 GOING CONCERN

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

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

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold land	-	125 years
Long-term leasehold property	-	50 years
Fixtures and fittings	-	7 years
Computer equipment	-	3 years

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 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 Bank.

1.9 TAXATION

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

1.10 DEBTORS

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

1. ACCOUNTING POLICIES (continued)

1.11 CASH AT BANK AND IN HAND

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

1.12 LIABILITIES AND PROVISIONS

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

1.13 FINANCIAL INSTRUMENTS

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.14 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 and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1. ACCOUNTING POLICIES (continued)

1.15 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less it's residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £157,000.

Land and buildings - Land and buildings are held under a 125 year lease from Middlebrough Council. These assets are included on the balance sheet of the Academy due to the significant risks and rewards of ownership belonging to the Academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the Academy could use them without major modification.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	*Total funds 2015 £000*
Transfer from Local Authority on conversion	-	-	-	-	*6,581*
Donations	-	7	6	13	*4*
Capital Grants	-	-	11	11	*236*
Subtotal	-	7	17	24	*240*
Total donations and capital grants	-	7	17	24	*6,821*

In 2015, of the total income from donations and capital grants, *£94,000* was to unrestricted funds and *£(251,000)* was to restricted funds and £6,978,000 to restricted fixed asset funds.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	*Total funds 2015 £000*
Sundry income	81	-	81	*99*
Lettings	6	-	6	*10*
Uniforms	8	-	8	*15*
School trips	42	-	42	*57*
Staff absence insurance	11	-	11	*6*
Catering	70	-	70	*103*
	218	-	218	*290*

In 2015, of the total income from other trading activities, *£290,000* was to unrestricted funds and *£NIL* was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	*Total funds 2015 £000*
Bank interest	1	-	1	*1*

In 2015, of the total investment income, *£1,000* was to unrestricted funds and *£NIL* was to restricted funds.

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	*Total funds 2015 £000*
DfE/EFA grants				
General Annual Grant (GAG)	-	2,353	2,353	*3,183*
Academy Conversion Grant	-	-	-	*25*
Other DfE/EFA Grants	-	280	280	*351*
	-	2,633	2,633	*3,559*
Other government grants				
SEN	-	43	43	*41*
Early Years Funding	-	165	165	*231*
	-	208	208	*272*
	-	2,841	2,841	*3,831*

In 2015, of the total income from charitable activities, £ *NIL* was to unrestricted funds and *£3,831,000* was to restricted funds.

6. CHARITABLE ACTIVITIES

	2016 £000	2015 £000
DIRECT COSTS		
Wages and salaries	1,598	2,129
National insurance	119	138
Pension cost	290	333
Educational Supplies	108	121
Staff development	8	19
Other direct costs	31	50
	2,154	2,790
SUPPORT COSTS		
Wages and salaries	138	191
National insurance	7	8
Pension costs	19	30
Depreciation	157	173
Net interest cost on pension scheme	14	13
Technology costs	100	131
Maintenance of premises and equipment	21	28
Cleaning	52	69
Rates	20	28
Energy	30	43
Insurance	20	29
Security	1	-
Transport	5	9
Catering	213	271
Occupancy Costs	12	19
Bank interest and charges	1	1
Other Support costs	76	122
Governance costs	36	28
	922	1,193
	3,076	3,983

7. EXPENDITURE

	Staff costs 2016 £000	Premises 2016 £000	Other costs 2016 £000	Total 2016 £000	*Total 2015 £000*
Academy's educational operations:					
Direct costs	2,007	-	147	2,154	*2,790*
Support costs	164	285	473	922	*1,193*
	2,171	285	620	3,076	*3,983*

In 2016, of the total expenditure, £212,000 *(2015 - £291,000)* was to unrestricted funds, £2,707,000 *(2015 - £3,519,000)* was was to restricted funds and £157,000 (2015 - £173,000) was to restricted fixed asset funds.

There were no individual transactions exceeding £5,000 for:
-Ex-gratia/compensation payments
-Gifts made by the Academy
-Fixed asset losses
-Stock losses
-Unrecoverable debts
-Cash losses

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £000	*2015 £000*
Depreciation of tangible fixed assets:		
- owned by the charity	157	*173*
Operating lease rentals	48	*61*
Auditors' remuneration	5	*5*
Auditors' remuneration non audit	4	*3*

9. STAFF COSTS

Staff costs were as follows:

	2016 £000	*2015* *£000*
Wages and salaries	1,715	*2,298*
Social security costs	126	*146*
Operating costs of defined benefit pension schemes	309	*363*
	2,150	*2,807*
Supply teacher costs	21	*22*
	2,171	*2,829*

Included in pension costs is: £44,000 (2015: £41,000) in respect of the movements in the LGPS pension deficit

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

	2016 No.	*2015* *No.*
Teachers	30	*33*
Administration and support	53	*53*
Management	8	*6*
	91	*92*

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

	2016 No.	*2015* *No.*
In the band £60,001 - £70,000	1	*1*

All of the above employee participated in the Teachers' Pension Scheme.

The key management personnel of the Academy comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £442,000 (2015: £340,000).

10. GOVERNORS' REMUNERATION AND EXPENSES

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy trust. The Co-Head Teachers and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Co-Head Teacher and other staff members under their contracts of employment, and not in respect of their role as Governors, The value of Governors' remuneration and other benefits was as follows:

		2016 £000	*2015 £000*
J Walsh, Co-Head Teacher	Remuneration	65-70	*60-65*
	Pension contributions paid	10-15	*5-10*
J Lucas, Co-Head Teacher	Remuneration	40-45	*35-40*
	Pension contributions paid	5-10	*5-10*
HE McLean, Deputy Head Teacher	Remuneration	50-55	*50-55*
	Pension contributions paid	5-10	*5-10*
L Etherington	Remuneration	10-15	*10-15*
	Pension contributions paid	0-5	*0-5*

During the year, no Governors received any benefits in kind (2015 - £NIL).
During the year, no Governors received any reimbursement of expenses (2015 - £NIL).

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £798 *(2015 - £798).*

12. TANGIBLE FIXED ASSETS

	Capital work in progress £000	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
COST					
At 1 September 2015	53	6,720	74	59	6,906
Additions	22	202	155	39	418
Transfer between classes	(53)	29	24	-	-
At 31 August 2016	22	6,951	253	98	7,324
DEPRECIATION					
At 1 September 2015	-	138	11	24	173
Charge for the year	-	100	29	28	157
At 31 August 2016	-	238	40	52	330
NET BOOK VALUE					
At 31 August 2016	22	6,713	213	46	6,994
At 31 August 2015	*53*	*6,582*	*63*	*35*	*6,733*

13. DEBTORS

	2016 £000	*2015 £000*
Trade debtors	1	*12*
Other debtors	1	-
VAT recoverable	76	*29*
Prepayments and accrued income	152	*134*
	230	*175*

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £000	*2015 £000*
Trade creditors	90	*34*
Other taxation and social security	40	*32*
Other creditors	37	*31*
Accruals and deferred income	152	*149*
	319	*246*

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2016 £000	*2015 £000*
DEFERRED INCOME		
Deferred income at 1 September 2015	73	-
Resources deferred during the year	71	*73*
Amounts released from previous years	(73)	-
Deferred income at 31 August 2016	71	*73*

At the balance sheet date the Academy was holding deferred income relating to Devolved Formula Capital, Rates Relief, Universal Infant Free School Meals and SEN.

15. STATEMENT OF FUNDS

	Brought Forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
UNRESTRICTED FUNDS						
Unrestricted funds	94	219	(212)	(3)	-	98
RESTRICTED FUNDS						
General Annual Grant (GAG)	232	2,353	(2,155)	(188)	-	242
Academy Conversion Grant	8	-	(2)	(6)	-	-
Other DfE/EFA Grants	-	280	(280)	-	-	-
Other government grants	-	208	(208)	-	-	-
Restricted donations	-	7	(4)	-	-	3
Pension reserve	(411)	-	(58)	-	(604)	(1,073)
	(171)	2,848	(2,707)	(194)	(604)	(828)

15. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Brought Forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Inherited on conversion	6,592	-	(104)	-	-	6,488
DfE/EFA capital grants	236	11	(8)	-	-	239
Capital expenditure from GAG	113	-	(45)	188	-	256
Donations	-	6	-	-	-	6
Academy Conversion Grant	-	-	-	6	-	6
Unrestricted fixed assets	-	-	-	3	-	3
	6,941	17	(157)	197	-	6,998
Total restricted funds	6,770	2,865	(2,864)	3	(604)	6,170
Total of funds	6,864	3,084	(3,076)	-	(604)	6,268

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy including salaries and related costs, overheads, repairs and maintenance and insurance.

The Academy Coversion Grant funding is to be used for expenditure associated with converting to an Academy, such as legal and professional fees.

Other DfE/EFA revenue grants relate to Pupil Premium, PE and Sports Grant, Universal Infant Free School Meals and Rates Relief.

Pupil Premium is additional funding to be spent as the Academy sees fit to support deprived students. PE and Sports Grant funding must be spent on PE and Sports curriculum costs. Rates Relief must be used to pay local authority rates costs.

Other government grants relate to SEN and Early Years Funding.

SEN is additional funding for pupils with special educational needs. Early Years Funding must be spent on costs relating to the provision of education to pupils. Universal Infant Free School Meals funding must be spent on costs relating to the provision of meals to pupils.

The pensions reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 20.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful economic life of the associated assets.

A transfer of £188,000 was made from General Annual Grant restricted funds to the restricted fixed asset funds.

15. STATEMENT OF FUNDS (continued)

A transfer of £6,000 has been made to Academy Conversion Grant restricted fixed asset fund from Academy Conversion Grant restricted fund to reflect those items included within fixed assets which have been purchased using Academy Conversion Grant monies.

Unrestricted funds include the income from uniform sales, school trips and catering with the relevant costs allocated accordingly.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	*Total funds 2015 £000*
Tangible fixed assets	-	-	6,994	6,994	*6,733*
Current assets	98	564	4	666	*788*
Creditors due within one year	-	(319)	-	(319)	*(246)*
Provisions for liabilities and charges	-	(1,073)	-	(1,073)	*(411)*
	98	(828)	6,998	6,268	*6,864*

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £000	*2015 £000*
Net income for the year (as per Statement of financial activities)	8	*6,960*
Adjustment for:		
Depreciation charges	157	*173*
Assets inherited on conversion	-	*(6,741)*
Dividends, interest and rents from investments	(1)	*(1)*
Cash inherited on conversion	-	*(93)*
Increase in debtors	(55)	*(175)*
Increase in creditors	73	*246*
Capital grants from DfE and other capital income	(17)	*(236)*
Defined benefit pension scheme obligation inherited	-	*254*
Defined benefit pension scheme	58	*60*
Net cash provided by operating activities	223	*447*

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £000	*2015 £000*
Cash in hand	436	*613*
Total	436	*613*

19. CAPITAL COMMITMENTS

At 31 August 2016 the Academy had capital commitments as follows:

	2016 £000	*2015 £000*
Contracted for but not provided in these financial statements	-	*243*

20. PENSION COMMITMENTS

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

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

Contributions amounting to £36,000 were payable to the schemes at 31 August 2016 (2015 - £30,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)

20. PENSION COMMITMENTS (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £189,000 *(2015 - £214,000).*

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £105,000 *(2015 - £140,000)*, of which employer's contributions totalled £76,000 *(2015 - £101,000)* and employees' contributions totalled £29,000 *(2015-£39,000)*. The agreed contribution rates for future years are 14.6% for employers and 5.5% and 12.5% for employees.

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

	2016	*2015*
Discount rate for scheme liabilities	2.00 %	*3.80 %*
Rate of increase in salaries	3.40 %	*3.50 %*
Rate of increase for pensions in payment / inflation	1.90 %	*2.00 %*
Inflation assumption (CPI)	1.90 %	*2.00 %*
Commutation of pensions to lump sums	80.00 %	*80.00 %*

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

	2016	*2015*
Retiring today		
Males	23.1	*23.0*
Females	25.6	*25.5*
Retiring in 20 years		
Males	25.3	*25.2*
Females	28.0	*27.8*

20. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £000	*Fair value at 31 August 2015 £000*
Equities	922	*688*
Cash	64	*54*
Property	79	*52*
Government bonds	8	*14*
Corporate bonds	8	*13*
Other	-	*15*
Total market value of assets	1,081	*836*

The actual return on scheme assets was £144,000 (2015: £30,000).

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

	2016 £000	*2015 £000*
Current service cost (net of employee contributions)	(120)	*(148)*
Net interest cost	(14)	*(13)*
Total	(134)	*(161)*

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

	2016 £000	*2015 £000*
Opening defined benefit obligation	1,247	-
Upon conversion	-	*926*
Current service cost	120	*148*
Interest cost	48	*59*
Contributions by employees	29	*39*
Actuarial losses	714	*80*
Benefits paid	(4)	*(5)*
Closing defined benefit obligation	2,154	*1,247*

20. PENSION COMMITMENTS (continued)

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

	2016 £000	*2015* *£000*
Opening fair value of scheme assets	836	*-*
Upon conversion	-	*672*
Interest income	34	*46*
Actuarial gains and (losses)	110	*(16)*
Contributions by employer	76	*100*
Contributions by employees	29	*39*
Benefits paid	(4)	*(5)*
Closing fair value of scheme assets	1,081	*836*

21. OPERATING LEASE COMMITMENTS

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

	2016 £000	*2015* *£000*
AMOUNTS PAYABLE:		
Within one year	41	*49*
Between one and two years	13	*41*
Between two and five years	-	*13*
Total	54	*103*

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy trust and the composition of the Board of Governors being drawn from local puplic and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

No related party transactions took place in the period of account, other than certain Governors' remuneration and expenses already disclosed in note 10.

23. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 April 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Governors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	**Notes**	*1 April 2014* *£000*	*31 August 2015* *£000*
Total funds under previous UK GAAP		-	6,864
Total funds reported under FRS 102		-	6,864

Reconciliation of net income	**Notes**	*31 August 2015* *£000*
Net income previously reported under UK GAAP		6,989
Change in recognition of LGPS interest cost	A	(29)
Actuarial gains/(losses) brought above the line	B	(96)
Net movement in funds reported under FRS 102		6,864

Explanation of changes to previously reported funds and net income/expenditure:

A Change in recognition of LGPS interest cost

Under previous UK GAAP the Academy recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 April 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £29,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

B Actuarial gains/(losses) brought above the line

Under SORP 2005 actuarial gains and losses did not form part of the net expenditure for the year. Under SORP (FRS102) these gains form part of the net movements in funds for the year.