

# Yarborough Academy

(A Company Limited by Guarantee -  
Company Registration Number 08018146)

## REPORT AND FINANCIAL STATEMENTS

PERIOD  
TO  
31 AUGUST 2016

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## REFERENCE AND ADMINISTRATIVE DETAILS OF YARBOROUGH ACADEMY, ITS GOVERNORS AND ADVISORS

Members	Mr A Nicholson (Chair) * Mrs J Cass (Vice-Chair)* - up to 1/12/15 Mrs E Cox * Mr C Jessup *
Governors, Trustees & Directors	Mrs J Lundy Mrs S Turner Mrs C Taylor Miss S Hunter Mrs M Saville * Miss E J Stamp * Mrs C Bantock * (Vice Chair) Mrs J Cass * - up to 1/12/15 Mrs E Cox Mr C Jessup Mr A Nicholson * Mrs J Hodson - from 9/12/15
* Denotes also member of Finance and Audit Committee	
Secretary	Mrs P Hodge
Senior Management Team	Mr C Jessup (Headteacher) Mrs E Cox (Deputy Headteacher) Mrs L Walton (SENCO) Miss R Fitzpatrick (Foundation Stage Leader) Mr L Drake (Lead English Teacher) Mrs H Alberry (Lead Maths Teacher) Mrs R Moss (Assessment Leader)
Registered Office	Yarborough Academy Yarrow Road Grimsby DN34 4JU
Company Registration Number	08018146 (England and Wales)
Auditors	Forrester Boyd 26 South St Mary's Gate Grimsby N.E. Lincs DN31 1LW
Bankers	Lloyds TSB Business Centre P O BOX 1000 BX1 1LT
Solicitors	Wilkin Chapman LLP PO Box 16 Town Hall Square Grimsby DN31 1HE

## **REPORT OF THE GOVERNORS**

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2016. The annual report serves the purposes of both a Trustees report, including a strategic report and a Directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 that services a catchment in the Freshney area of Grimsby. It has increased the pupil capacity in the last three years from 45 to 60 pupils per year and had a roll of 438 in the school census on 19 May 2016.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Academy is a company limited by guarantee with no share capital (registration no. 08018146) and is also an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy.

The governors act as trustees for the charitable activities of Yarborough Academy and are also the directors for the purposes of company law. The charitable company is known as Yarborough Academy. Details of the trustees who served during the year are included in the Reference and Administrative details on page 3.

### **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.

### **Governors Indemnities**

A full insurance indemnity is taken out and each member has cover of £2m, with further cover for legal defence costs of £250,000. From August 15 the Academy has joined the RPA scheme which includes £5m for each governor.

### **Method of Recruitment and Appointment or Election of Governors**

The Members may appoint up to 8 Governors.

The Members may appoint Staff Governors (who are elected by members of staff) provided that the total number of Governors (including the Head Teacher) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

The Head Teacher shall be treated for all purposes as being an ex officio Governor.

Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected.

The Governors may appoint up to 3 Co-opted Governors.

Additional governors may be appointed by the Secretary of State for Education under the terms outlined in the Articles of Association.

## **REPORT OF THE GOVERNORS (CONTINUED)**

During the period under review the governors changed the Committee structure.

Until the Committee Structure was changed in March there were 2 Finance and Audit meetings, 2 Premises committee meetings, 4 Personnel committee meetings, 2 Pay and Appraisal meetings, 1 Standards meeting, 1 Policy review meeting and 2 Curriculum meetings held.

The Governors then voted in March to change the structure to allow more informed decisions to be made. The new structure includes a Resource committee (covering Finance, Premises, Health and Safety and Personnel). There is also a Teaching and Learning Committee (covering Curriculum, Policy Review and Standards). The governors elected to keep the Safeguarding Committee separate. 3 Safeguarding meetings were held during the year. The Full Governing Body will receive reports from the above sub-committees. There were 3 Full Governing Body meetings during the year.

### **Policies and Procedures Adopted for the Induction and Training of Governors**

The training and induction provided for new Governors will depend on their existing experience. 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 two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual.

### **Organisational Structure**

The aim of the management structure is to increase achievement for all children and build capacity throughout the Academy.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring and challenging the leadership of the Academy, through the use of budget and making decisions about the strategic direction of the Academy, capital expenditure and staffing.

The Headteacher controls the Academy at an executive level, implementing the policies as agreed with the Governors and reporting back on their impact. The Headteacher is responsible for the authorisation of spending within agreed limits and the appointment of staff, in consultation with the Finance and Audit committees (which is now within the Resources Committee).

The Senior Leadership Team (SLT) consists of the Headteacher, Deputy Head, SENCO, the Lead teacher for Literacy, Lead teacher for Numeracy, Assessment leader and EYFS leader.

The SLT is responsible for the day to day operation of the Academy. The Academy through its Articles has indemnified the Governors to the fullest extent permissible by law. During the period the Academy also purchased liability insurance for the Governors.

### **Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Academy has had no problem attracting members to the SLT and has used the Performance Management cycle to set pay for its Senior Leadership Team. The trustees have all acted as volunteers. No remuneration has been received by trustees except as disclosed at note 9.

## **REPORT OF THE GOVERNORS (CONTINUED)**

### **Related Parties and Other Connected Charities and Organisations**

There were no related party transactions or significant connections to organisations for the year ended 31 August 2016.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and Aims**

The principal object and activity is the operation of Yarborough Academy to provide education within a school for pupils of different abilities between the ages of 3 and 11.

### **Objectives, Strategies and Activities**

In accordance with the articles of association the Academy has adopted a Funding Agreement and Articles of Association approved by the Secretary of State for Education. The Funding Agreement 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 be broad and balanced.

The main objectives of the Academy during the period ended 31 August 2016 are summarised below –

- to improve achievement for all pupils across the Academy;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Yarborough Academy, pupils and staff benefit from a unique, project-based curriculum that provides learning and teaching that is at least good and an increasing proportion of which is outstanding.

Achievement is improving rapidly in all areas of the Academy because of the introduction of our project based curriculum, the associated depth of learning and accompanying assessment and feedback. All of this is deepening understanding, increasing engagement and addressing areas of previously identified underperformance.

This is evidenced through a series of robust self- evaluations consisting of observations of project based learning, core skills, planning, use of assessments and work in books. Further improvements are outlined in the Academy Improvement Plan and individual action plans from Senior Leaders. External quality assurance provided by Challenge Partners in March 2016 confirmed this judgement.

## REPORT OF THE GOVERNORS (CONTINUED)

The Academy's main strategies to achieve the objectives are encompassed in the four main priorities taken from the agreed improvement plan:

- To embed a culture where pupils and staff excel
- To ensure that teaching and learning is highly effective throughout the Academy
- To ensure confident, reflective learners who are proud of their achievements
- To ensure achievement continues to rise for all pupils in the Academy

### Public Benefit

The above activities are undertaken for public benefit and the Academy's governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

## STRATEGIC REPORT

### ACHIEVEMENTS AND PERFORMANCE

The Academy is in its fourth year of operation. Total students in the period ended 31 August 2016 numbered 438.

Achievement for the Academy as against national figures is summarised below:

**Early Years Foundation Stage - Good level of development - 75%** (2014/15 - 67%, National average - 69%).

- this is an increase of 13% since 2013/14 and maintains the improvement in outcomes in Early Years, which continue to outperform national figures

**Year 1 Phonics screening – 89% of the cohort achieved the pass mark or beyond** (2014/15 – 95%, National average 81%)

- 4 out of 6 (67%) of children eligible for pupil premium achieved the pass mark
- of the 4 children in Year two who had to retake the check (2 incomers during the year to add to the 2 from our Year 1), ¾ achieved the pass mark (75%).
- our phonics results remain very strong due to excellent teaching in year 1 and the good foundation they receive in Early Years.

### Year 2 Teacher Assessments

This year, teacher assessment was informed by Key Stage 1 tests. They are not comparable to last year's information as these report on a different measure. We therefore have no solid data to compare against historically.

- 75% of children achieved at least the expected standard in reading, writing and maths combined, compared to 60% nationally.
- 83% of children met or exceeded the National standard in reading, compared to 74% nationally.

**REPORT OF THE GOVERNORS (CONTINUED)**

- 78% of children met or exceeded the National standard in writing, compared to 66% nationally.
- 82% of children met or exceeded the National standard in maths, compared to 73% nationally.
- on all measures, our children have outperformed national figures in reading, writing and maths. This maintains the improvement in these key areas we saw with the previous curriculum from 2013 – 2015.

8 children are eligible for the pupil premium, including one forces child. Of these –

- 6/8 (75%) met or exceeded in reading
- 6/8 (75%) met or exceeded in writing
- 7/8 (88%) met or exceeded in maths

***Year 6 Attainment***

This year, the children have been tested two years into a four year National Curriculum. Reading and Maths are assessed on an 'expected or not' standard. Writing is assessed on an 'expected, not or exceeding' standard.

- 39% of children achieved the standard for Reading, writing and maths combined. The national figure was 53% and the floor target for attainment is 65%

**Reading**

- 49% of children achieved the expected standard in reading, compared to the national figure of 66%
- The average scaled score for reading was 100.5, compared to the average national score of 102.6
- Boys at expected standard –  $7/14 = 50\%$
- Girls at expected standard –  $12/25 = 48\%$
- Pupil Premium  $7/12 = 58\%$

**Writing**

- 77% of children achieved the expected standard in writing, compared to the national figure of 74%
- Boys at expected standard –  $9/14 = 64\%$
- Girls at expected standard –  $21/25 = 84\%$
- Pupil Premium  $8/12 = 67\%$

## REPORT OF THE GOVERNORS (CONTINUED)

### Maths

- 72% achieved the expected standard for maths, compared to the national figure of 70%
- The average scaled score for maths was 103.1, compared to the national average of 103.
- Boys at expected standard –  $11/14 = 79\%$
- Girls at expected standard –  $17/25 = 68\%$
- Pupil Premium  $10/12 = 83\%$

### Spelling, Punctuation and Grammar

- Children at expected standard –  $25/39 = 64\%$  (Nationally 72% met the standard)
- Boys at expected standard –  $7/14 = 50\%$
- Girls at expected standard –  $18/25 = 72\%$
- Pupil Premium  $9/12 = 75\%$
- Our attainment for combined reading, writing and maths fell below floor targets because of the reading test. Both writing and maths were above national figures for attainment. SPAG is not counted for floor target purposes.
- Our internal tracking shows the current Year Six cohort to be on track for 85% at expected standard.

### *Year 6 progress*

Progress scores will be centred around 0, with most schools within the range of -5 to +5. A score of 0 means pupils in this school on average do about as well at KS2 as those with similar prior attainment nationally.

A positive score means pupils in this school on average do better at KS2 as those with similar prior attainment nationally.

A negative score means pupils in this school on average do worse at KS2 as those with similar prior attainment nationally.

### Yarborough Progress Measures KS2

- Reading progress +1.2
- Writing progress +3.7
- Maths progress +2.9

This puts Yarborough Academy well over the floor target measure for progress. It means we are in the 25% nationally for progress in writing and maths and the top 405 nationally for reading.

Children in this school make very good progress in Key Stage Two from their various starting points.

## **REPORT OF THE GOVERNORS (CONTINUED)**

The overall effectiveness of Yarborough Academy is evaluated by the Headteacher as **Good with Outstanding features**.

This is because pupils and staff benefit from learning and teaching, an increasing proportion of which is outstanding. Achievement is improving rapidly in all areas of the Academy because of the introduction of our project based curriculum, the associated depth of learning and accompanying assessment and feedback. Areas of identified subject underperformance (for example Mathematics) have been addressed and the impact is clear in data and in children's work.

In statutory assessments, Yarborough pupils achieve above National expectations in the Early Learning Goals, Year 1 phonics check, Key Stage 1 attainment in Reading, Writing and Mathematics, Key Stage 2 attainment in Mathematics and Writing and progress measures for Reading, Writing and Mathematics.

This is further evidenced through a series of robust self- evaluations consisting of observations of project based learning, core skills, planning, use of assessments and work completed in books and recorded electronically. Further improvements are outlined in the Academy Improvement Plan and individual action plans from Senior Leaders. External quality assurance is provided by Challenge Partners in April 2016 to confirm our judgement.

Safeguarding has been externally validated as Outstanding.

The Academy has robust financial procedures and auditing to allow efficient use of the budget.

Those children who have fallen behind in key areas are identified early through formative and summative assessment. Support is delivered to ensure rapid improvement. The impact of this is monitored rigorously by the Headteacher, the SLT and Governors at pupil progress meetings, through class provision mapping and reports on standards to committee meetings and the full Governing Body.

Robust action has taken place to address areas of underperformance. The impact can be seen in the rapid improvement to achievement across the Academy in all key areas, as indicated by statutory outcomes.

Very effective action is taken to ensure that an increasing number of all pupils reach and exceed the expected standards. Data is evaluated, reported to class teachers, SLT and Governors. The impact of this action is shown in internal tracking, moderation and termly summative testing. This ensures external data and National expectations are known and achievable. These expectations also underpin performance management of teachers and the Headteacher.

There is a clear effort at Yarborough Academy to create a learning community that is positive, celebrates achievement and embeds a love of deep learning. The spiritual, moral, social and cultural development of pupils is effectively promoted through our behaviour system and weekly themes.

## **REPORT OF THE GOVERNORS (CONTINUED)**

It is thoughtfully and creatively developed via our project based curriculum in terms of 'character education'. These address the well-being of our pupils on a daily basis.

Additional support is available through the intervention work of the Learning Mentors. Well-being and mental health of children and parents are also supported externally, for example in offering Reflexology sessions to parents and FORTIS mentoring to pupils.

Evidence of the impact and future plans for additional funding through the Pupil premium and the Sports funding premium is available on our website:

<http://www.yarboroughacademy.co.uk/about-our-academy/additional-funding-/>

## **FINANCIAL REVIEW**

### **Going Concern**

The governing body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for at least 12 months from the date of the report. For this reason it continues to adopt the going concern basis in preparing the financial statements.

### **Financial Report for the Period**

Most of the Academy's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ended 31 August 2016, total expenditure of £2,052,954 was more than covered by recurrent grant funding from the DfE together with other incoming resources and brought forward reserves balances. The reserves (excluding Restricted Fixed Asset Fund and Pension Reserve) carried forward into the new academic year is £248,103, made up of £63,382 in restricted funds and £184,721 in unrestricted funds.

At 31 August 2016 the net book value of fixed assets was £3,847,599 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Actuary has calculated the pension scheme deficit as £633,000 as at 31 August 2016, which is an increase of £146,000 from the deficit figure as at 31 August 2015. Further detail is provided in note 20 of this set of accounts.

### **Reserves Policy and Financial Position**

The Academy continues to have a healthy carry forward figure although this is steadily decreasing. A minimum reserve amount of £100,000 has been set and it is anticipated that the carry forward for this last year will be spent on sections of the roof, continuing to resource the PBL style of learning and increased NI and Superannuation contributions for teaching staff.

The Academy is also planning at some point to join with a Multi-Academy Trust (MAT), which whilst offering many benefits will also impact on future income.

## **REPORT OF THE GOVERNORS (CONTINUED)**

### **Investment Policy**

The academy aims to manage its cash balances to provide for the day to day working capital requirements of its operations, whilst minimising the risk to the loss of these cash funds.

The Academy currently holds surplus cash balances within low risk deposit accounts.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

### **Principal Risks and Uncertainties**

The Academy has an effective system of internal financial controls. The Members and Governors have reviewed current examples of best practice and have set policies on internal controls which cover the following:

- the type of risks the Academy faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- the Academy's ability to reduce the incidence and impact on the Academy's operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained.
- clarified the responsibility of the Senior Leadership Team to implement the Governors' policies and to identify and evaluate risks for the Governors' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy;
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment; and
- included procedures for reporting failings immediately to appropriate levels of management and the Governors together with details of corrective action being undertaken.

### **Risk Management**

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific 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) and in relation to the control of finance.

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. 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 following statement.

## **REPORT OF THE GOVERNORS (CONTINUED)**

### **PLANS FOR FUTURE PERIODS**

The Academy will build on its Ofsted judgement by continuing the proportion of outstanding teaching and to improve achievement in Writing to match that of Reading and Mathematics. The Project Based Learning curriculum will continue to be embedded, with an assessment system that ensures all children are achieving age related expectations. The Academy will review its status as an independent Academy and make decisions regarding the future Governance and leadership direction in the academic year ahead.

### **AUDITORS**

In so far as the governors are aware:

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

### **Reappointment of Auditor**

The auditors, Forrester Boyd, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The report of the governors was approved by the governors on 30 November 2016 and signed on their behalf by:



**Mr A Nicholson**  
**Chair of Governors**

## **GOVERNANCE STATEMENT (replaces Statement on the System of Internal Control)**

### **Scope of Responsibility**

As governors, we acknowledge we have overall responsibility for ensuring that Yarborough 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.

The governing body 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 Yarborough Academy and the Secretary of State for Education. The Head Teacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### **Governance**

The information of governance included here supplements that described in the Governors' Report and the Statement of Governors' Responsibilities. The governing body has formally met three times during the year. Attendance during the year at meetings of the governing body was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr A Nicholson	3	3
Mr C Jessup	3	3
Mrs E Cox	3	3
Mrs J Lundy	3	3
Miss E J Stamp	3	3
Mrs M Saville	3	3
Mrs J Hodson	3	3
Mrs C Taylor	0	3
Miss S Hunter	3	3
Mrs C Bantock	2	3
Mrs S Turner	3	3

### **The Finance and Audit Committee (June - Resource Committee)**

This is a sub-committee of the main governing body. It has delegated powers to manage the academy finance matters. Attendance at meetings during the year was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr A Nicholson	3	3
Mrs E Cox	2	3
Mr C Jessup	3	3
Miss S Hunter	2	3
Miss E J Stamp	2	3
Mrs C Bantock	1	1
Mrs M Saville	1	1
Mrs J Hodson	0	1

## **GOVERNANCE STATEMENT (CONTINUED)**

The Trust carried out a review of governance in the March 2016 and restructured the committee structure.

### **Governance Review**

The academy is in the process of completing a skills audit of its governors. This includes the use of a self-assessment tool taken from the National Governors Association skills audit 2015.

The areas covered by the review include –

- current skills and commitment
- understanding and experience of governance
- vision and strategic planning
- accountability and challenge
- financial oversight
- knowledge of school and community
- in-year contribution of individual governors
- governor training

### **Review of Value for Money**

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

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

- Applying for an Awards For All Grant to refurbish the Nursery (£10,000)
- Using the LA's energy scheme so that bulk savings can be achieved by joining with other schools.
- Providing Finance/Personnel Governors with detailed financial reports so they can make informed decisions about the budget.

### **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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in Yarborough Academy for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

## **GOVERNANCE STATEMENT (CONTINUED)**

### **Capacity to Handle Risk**

The board of governors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The board of governors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 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 through the Risk Register.

### **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 by the Finance (Resource) Committee;
- 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 guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks
- Joining Finance and Personnel into one meeting so that decisions can be made taking into account all factors

The governing body have appointed Forrester Boyd to carry out internal financial reviews on a periodic basis, covering at least 4 areas a year. The reviewer reports to the Governing Body on the operations of the systems and control and on the discharge of the Governing Body's financial responsibilities. Since becoming an Academy they have carried out reviews on:

- Income Systems
- Bank Systems
- Payroll Systems
- Accounting Systems

This is in addition to the checks carried out by the External Auditor for the year end accounts. The Finance Committee has also carried out a check on the monthly reconciliation which is done every few months. The Head checks, then signs off the monthly reconciliations.

There have been no material control or other issues reported to date.

## GOVERNANCE STATEMENT (CONTINUED)

### Review of Effectiveness

As accounting officer, the Headteacher, Chris Jessup, has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

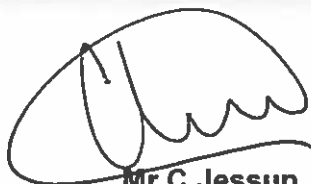
- The internal financial review by Forrester Boyd
- The work of the external auditor
- The work of the Business Manager who has responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit 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 governing body on 30 November 2016 and signed on its behalf by:



Mr A Nicholson  
Chair



Mr C Jessup  
Accounting Officer

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Yarborough Academy I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of any 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 governing body are able to identify any material irregular, 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 governing body and the EFA.

Mr C Jessup  
Accounting Officer

30 November 2016

## STATEMENT OF GOVERNORS RESPONSIBILITIES

The Governors (who act as trustees for charitable activities of Yarborough Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Annual Report (incorporating the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The 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 governing body on 30 November 2016 and signed on its behalf by:



**Mr A Nicholson**  
**Chair of Governors**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YARBOROUGH ACADEMY**

We have audited the financial statements of Yarborough Academy for the year ended 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy Trust'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 trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Governors and Auditors**

As explained more fully in the Statement of Governors Responsibilities (set out on page 18) the governors (who act as trustees and are also the directors of the charitable company 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 (APB'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 charitable company'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' Annual 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 the Financial Statements**

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YARBOROUGH  
ACADEMY (CONTINUED)**

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency and
- have been prepared in accordance with the requirements of the Companies Act 2006

**Opinion on Other Matter Prescribed by the Companies Act 2006**

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

**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.



**Kevin Hopper ACA (Senior Statutory Auditor)  
For and on behalf of Forrester Boyd, Statutory Auditor**

**26 South St Mary's Gate  
Grimsby  
North East Lincolnshire  
DN31 1LW**

**30 November 2016**

**INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON REGULARITY TO  
THE GOVERNING BODY OF YARBOROUGH ACADEMY AND THE EDUCATION  
FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25 August 2016 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 Yarborough Academy during the period 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 Yarborough Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Yarborough Academy 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 the Yarborough Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective Responsibilities of Yarborough Academy Trust's Accounting  
Officer and the Reporting Auditor**

The accounting officer is responsible, under the requirements of Yarborough Academy's funding agreement with the Secretary of State for Education dated 20 February 2012 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 period 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.

**INDEPENDENT AUDITORS' REPORT ON REGULARITY TO THE GOVERNING  
BODY OF YARBOROUGH ACADEMY AND THE EDUCATION FUNDING AGENCY  
(CONTINUED)**

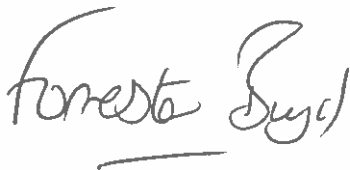
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Ensuring that all the activities of the academy trust are in keeping with the academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management Personnel

**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 from 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Kevin Hopper ACA (Reporting Accountant)**  
**For and on behalf of Forrester Boyd**  
**26 South St Mary's Gate**  
**Grimsby**  
**N E Lincolnshire**  
**DN31 1LW**

**30 November 2016**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**  
**(including Income and Expenditure Account and**  
**Statement of Recognised Gains and Losses)**

		2015/16			
	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
		£	£	£	£
<b>Income and Endowments from:</b>					
Donations and Capital Grants	2	17,224	0	8,295	25,519
From Charitable Activities:					
- For Academy's educational operations	3	221	1,769,303	0	1,769,524
Other Trading Activities	4	2,000	0	0	2,000
Investments	5	546	0	0	546
<b>Total Incoming Resources</b>		<b>19,991</b>	<b>1,769,303</b>	<b>8,295</b>	<b>1,797,589</b>
<b>Expenditure on:</b>					
Raising Funds	6	0	0	0	0
On Charitable Activities:					
- For Academy's educational operations	6/7	221	1,924,381	128,352	2,052,954
<b>Total Resources Expended</b>		<b>221</b>	<b>1,924,381</b>	<b>128,352</b>	<b>2,052,954</b>
<b>Net incoming (outgoing) resources before transfers</b>		<b>19,770</b>	<b>(155,078)</b>	<b>(120,057)</b>	<b>(255,365)</b>
Gross transfers between funds		0	(43,316)	43,316	0
<b>Net income/(expenditure) for the year</b>		<b>19,770</b>	<b>(198,394)</b>	<b>(76,741)</b>	<b>(255,365)</b>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	20	0	(128,000)	0	(128,000)
<b>Net Movement in Funds</b>		<b>19,770</b>	<b>(326,394)</b>	<b>(76,741)</b>	<b>(383,365)</b>
<b>Reconciliation of Funds</b>					
Total Funds Brought Forward at 1 September		164,951	(243,224)	3,924,340	3,846,067
<b>Funds Carried Forward at 31 August</b>		<b>184,721</b>	<b>(569,618)</b>	<b>3,847,599</b>	<b>3,462,702</b>

All of the Academy's activities derive from continuing operations during the above two financial periods. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Figures are provided on the following page that show previous year comparator figures.

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE PERIOD ENDED 31 AUGUST 2015**  
**(including Income and Expenditure Account and**  
**Statement of Recognised Gains and Losses)**

		2014/15			
	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
		£	£	£	£
<b>Income and Endowments from:</b>					
Donations and Capital Grants	2	14,092	0	7,952	22,044
From Charitable Activities:					
- For Academy's educational operations	3	0	1,863,219	0	1,863,219
Other Trading Activities	4	6,000	0	0	6,000
Investments	5	569	0	0	569
<b>Total Incoming Resources</b>		<b>20,661</b>	<b>1,863,219</b>	<b>7,952</b>	<b>1,891,832</b>
<b>Expenditure on:</b>					
Raising Funds	6	0	0	0	0
On Charitable Activities:					
- For Academy's educational operations	6/7	0	1,813,567	111,965	1,925,532
<b>Total Resources Expended</b>		<b>0</b>	<b>1,813,567</b>	<b>111,965</b>	<b>1,925,532</b>
<b>Net incoming (outgoing) resources before transfers</b>		<b>20,661</b>	<b>49,652</b>	<b>(104,013)</b>	<b>(33,700)</b>
Gross transfers between funds		0	(49,119)	49,119	0
<b>Net income/(expenditure) for the year</b>		<b>20,661</b>	<b>533</b>	<b>(54,894)</b>	<b>(33,700)</b>
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	20	0	3,000	0	3,000
<b>Net Movement in Funds</b>		<b>20,661</b>	<b>3,533</b>	<b>(54,894)</b>	<b>(30,700)</b>
<b>Reconciliation of Funds</b>					
Total Funds Brought Forward at 1 September		144,290	(246,757)	3,979,234	3,876,767
<b>Funds Carried Forward at 31 August</b>		<b>164,951</b>	<b>(243,224)</b>	<b>3,924,340</b>	<b>3,846,067</b>

**BALANCE SHEET**  
**At 31 August 2016**  
**Company Registration Number 08018146**

At 31 August 2015		Notes	At 31 August 2016	
£			£	£
	<b>Fixed Assets</b>			
3,924,340	Tangible Assets	11	3,847,599	
0	Investments		0	
<b>3,924,340</b>	<b>Total Fixed Assets</b>			<b>3,847,599</b>
	<b>Current Assets</b>			
52,481	Debtors	12	41,201	
<b>491,654</b>	<b>Cash at Bank and In Hand</b>		<b>397,666</b>	
			<b>438,867</b>	
	<b>Current Liabilities</b>			
(135,408)	Creditors: amounts falling due within one year	13	<b>(190,764)</b>	
<b>408,727</b>	<b>Net Current Assets</b>			<b>248,103</b>
<b>4,741,794</b>	<b>Total Assets less Current Liabilities</b>			<b>4,095,702</b>
(487,000)	Pension Scheme Liability	20		<b>(633,000)</b>
<b>3,846,067</b>	<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<b>3,462,702</b>
	<b>Funds</b>			
	<b>Restricted Funds</b>			
3,924,340	Restricted Fixed Asset Fund	14	3,847,599	
243,776	Restricted General Fund	14	63,382	
(487,000)	Pension Reserve	14	<b>(633,000)</b>	
<b>3,681,116</b>	<b>Total Restricted Funds</b>			<b>3,277,981</b>
	<b>Unrestricted Income Funds</b>			
164,951	General Fund	14	184,721	
<b>164,951</b>	<b>Total Unrestricted Funds</b>			<b>184,721</b>
<b>3,846,067</b>	<b>TOTAL FUNDS</b>			<b>3,462,702</b>

The financial statements on pages 23 to 44 were approved by the governors on 30 November 2016 and signed on their behalf by:



**Mr A Nicholson**  
**Chair of Governors**

**STATEMENT OF CASH FLOWS**  
**For the Period Ended 31 August 2016**

2014/15		Notes	2015/16	
			£	£
	<b>Cash Flows from Operating Activities</b>			
83,526	Net Cash provided by/(used in) Operating Activities	22		(51,218)
	<b>Returns on Investment and Servicing of Finance</b>			
569	Interest Received	5	546	
0	Purchase of Intangible Fixed Assets		0	
(66,425)	Purchase of Tangible Fixed Assets	11	(51,611)	
7,952	Capital Grants from DfE/EFA	2	8,295	
0	Other Cash Payments		0	
<u>(57,904)</u>				<u>(42,770)</u>
	<b>Capital Income/(Expenditure)</b>			
0	Repayments of Borrowing		0	
0	Cash Inflows from Borrowing		0	
<u>0</u>				<u>0</u>
<u>25,622</u>	<b>Net Increase/(Decrease) in Cash</b>			<u>(93,988)</u>
466,032	Cash and Cash Equivalents at 1 September			491,654
<u>491,654</u>	<b>Cash and Cash Equivalents at 31 August</b>			<u>397,666</u>

## NOTES TO THE ACCOUNTS

### General Information

The academy trust is a private company limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:

Yarborough Academy  
Yarrow Road  
Grimsby  
DN34 4JU

A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

### 1. Statement of Accounting Policies

- a) **Basis of Preparation** - the financial statements of the academy trust, which is a public 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 FRS 102, the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

Yarborough Academy meets the definition of a public benefit entity under FRS102.

The financial statements of Yarborough Academy 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 trustees 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 25.

- b) **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 company 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.

**NOTES TO THE ACCOUNTS (CONTINUED)**

- c) **Incoming Resources** – all incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured with sufficient reliability.

- **Grants receivable** - grants are included in the Statement of Financial Activities on a receivable basis. The balance of income for received 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 year for which it is receivable any abatement in respect of the period is deducted from income and recognised as a liability and any unspent amount is reflected as a balance in the Restricted General Fund.

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** - donations are included in the Statement of Financial Activities 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 is recognised in the period it is receivable and to the extent that the goods have been provided or on completion of the service.
- **Interest Receivable** - Interest receivable is included within the Statement of Financial Activities on a receivable basis.

**d) Resources Expended**

- **Recognition** - resources expended are 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. All resources expended are inclusive of irrecoverable VAT.
- **Allocation of Costs** – 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 directly 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 on each activity and depreciation charges on the basis of the proportion of the assets' use.
- **Expenditure on Raising Funds** – this includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

## NOTES TO THE ACCOUNTS (CONTINUED)

- **Charitable Activities** – these are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

### e) Fund Accounting

- **Unrestricted Funds** represent those resources which may be used towards meeting any of the charitable objectives of the academy trust at the discretion of the governors.
- **Restricted Fixed Asset Funds** are resources which are to be applied to specific capital purposes imposed by grant funding bodies where the asset acquired or created is held for a specific purpose.
- **Restricted General Funds** comprise all other restricted funds received and include grants from the DfE/EFA

**f) Tangible Fixed Assets** - tangible fixed assets acquired since the Academy was established are included in the accounts at cost.

The opening valuation of the school is deemed to be the value of the school as recorded by the Local Education Authority at the date of transfer. Where tangible fixed assets have been funded from grants 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 such assets is charged to the Restricted Fixed Asset Fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Assets costing less than £2,000 are recorded as a revenue expense in the year of acquisition. All other assets are capitalised.

**g) Depreciation and Impairment** - depreciation on assets is charged in the Statement of Financial Activities on a straight line basis over the expected useful economic life of the related asset. No depreciation is charged on freehold land.

Assets in the course of construction are included at cost and depreciation not charged until they are brought into use. Depreciation is charged on the value of the asset at the start of the year. This means that no depreciation is charged in the year of acquisition but that depreciation is charged in the year of disposal.

The school building, transferred from the local authority, is depreciated from the date of transfer, over its remaining useful economic life of 50 years, with leasehold land depreciated over the lease term of 125 years. Computer equipment is depreciated over 2 – 3 years and furniture and equipment over 3 – 5 years.

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.

Yarborough Academy  
Report and Financial Statements Period Ended 31 August 2016

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

**i) Leased Assets** - rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

The land and buildings are held on a 125 year lease with North East Lincolnshire Council. They were recognised as an asset on conversion and are being depreciated accordingly.

**j) 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

The contributions are determined by the Government Actuary on the basis quadrennial valuations using a prospective unit credit method.

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 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 gains and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

## NOTES TO THE ACCOUNTS (CONTINUED)

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 obligations 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 gains and losses.

**k) 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.

## 2. Donations and Capital Grants

Total 2014/15 £	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2015/16 £
7,952 Capital Grants	0	0	8,295	8,295
14,092 Miscellaneous Donations	17,224	0	0	17,224
22,044 Total	17,224	0	8,295	25,519

**NOTES TO THE ACCOUNTS (CONTINUED)**

**3. Funding for the Academy's Educational Operations**

Total 2014/15 £	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2015/16 £
Department for Education (DfE) Grants				
1,445,384 - General Annual Grant	0	1,516,337	0	1,516,337
109,013 - Pupil Premium Grant	0	92,342	0	92,342
97,907 - Free School Meals Grant	0	56,301	0	56,301
8,446 - Other Grants	0	0	0	0
9,290 - Sports Partnership Funding	0	9,430	0	9,430
<b>1,670,040 Total DfE Grants</b>	<b>0</b>	<b>1,674,410</b>	<b>0</b>	<b>1,674,410</b>
Other Income				
162,850 - Local Authority Funding	0	67,455	0	67,455
0 - Other Grants	221	3,920	0	4,141
0 - Awards for All Grant	0	9,995	0	9,995
30,329 - Other Income	0	13,523	0	13,523
<b>193,179 Total Other Income</b>	<b>221</b>	<b>94,893</b>	<b>0</b>	<b>95,114</b>
<b>1,863,219 Overall Total</b>	<b>221</b>	<b>1,769,303</b>	<b>0</b>	<b>1,769,524</b>

**4. Other Trading Activities**

Total 2014/15 £	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2015/16 £
6,000 Hire of Facilities	2,000	0	0	2,000
<b>6,000 Total</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>

**5. Investments**

Total 2014/15 £	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2015/16 £
569 Short-term Deposits	546	0	0	546
0 Other	0	0	0	0
<b>569 Total</b>	<b>546</b>	<b>0</b>	<b>0</b>	<b>546</b>

**NOTES TO THE ACCOUNTS (CONTINUED)**

**6. Expenditure**

2014/15 Total  £	2015/16			Total  £
	Staff Costs £	Premises £	Other £	
0 Expenditure on Raising Funds	0	0	0	0
Academy's Educational Operations				
1,424,006 - Direct costs	1,305,251	128,352	167,662	1,601,265
501,526 - Allocated support costs	177,349	85,873	188,467	451,689
<b>1,925,532 Total</b>	<b>1,482,600</b>	<b>214,225</b>	<b>356,129</b>	<b>2,052,954</b>

Incoming/outgoing resources for the year include –

2014/15 £	2015/16 £
11,645 Operating Leases	13,362
111,965 Depreciation	128,352
Fees payable to audit -	
5,890 - external scrutiny	5,340
1,890 - other	0
<b>131,390 Total</b>	<b>147,054</b>

**7. Charitable Activities – Academy's Educational Operations**

Total 2014/15 £	Total 2015/16 £
1,424,006 Direct Costs - Educational Operations	1,601,265
501,526 Support Costs - Educational Operations	451,689
<b>1,925,532 Total</b>	<b>2,052,954</b>
<b>Allocated Support Costs</b>	
172,628 Support Staff Costs	177,349
23,947 Technology Costs	24,208
124,634 Premises Costs	85,873
12,786 Governance Costs	13,149
167,531 Other Support Costs	151,110
<b>501,526 Total Support Costs</b>	<b>451,689</b>

**NOTES TO THE ACCOUNTS (CONTINUED)**

**8. Staff Costs, Numbers and Remuneration**

The average number of persons (including senior management team) employed by the Academy during the period ended 31 August 2016 was as follows –

<b>2014/15 No.</b>		<b>2015/16 No.</b>
	<b>Charitable Activities</b>	
6	Management	6
13	Teachers	14
35	Administration and Support	45
<b>54</b>	<b>Total</b>	<b>65</b>

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer contributions) received by key management personnel for their services to the academy trust was £373,459 (2014/15: £350,076).

Staff costs comprise –

<b>2014/15 £</b>		<b>2015/16 £</b>
1,012,293	Wages and Salaries	1,145,283
57,788	Employers National Insurance Costs	75,031
173,225	Employers Pension Costs	222,299
3,000	Operating Costs of Defined Benefits Schemes	0
<b>1,246,306</b>	<b>Sub Total</b>	<b>1,442,613</b>
<b>48,594</b>	<b>Supply Teacher Costs</b>	<b>39,987</b>
<b>1,294,900</b>	<b>Overall Total</b>	<b>1,482,600</b>

One employee was in receipt of a salary of more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the period ended 31 August 2016.

The annual salary level of this employee fell in the respective banding below –

<b>2014/15 No.</b>		<b>2015/16 No.</b>
0	£60,001 - £70,000	1

This employee participated in the Teachers' Pension Scheme and during the period ended 31 August 2016, employers pension contributions for this member of staff amounted to £10,155 (2014/15 – N/A).

## NOTES TO THE ACCOUNTS (CONTINUED)

### 9. Governors' Remuneration and Expenses

The governors of the Academy did not receive any payment from the Academy in the course of their duties.

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff and not in respect of their services as governors. The value of their remuneration over the period in bandings of £5,000 was as follows:

C Jessup			
Remuneration	£60,000 - £65,000 (2014/15: £55,000 - £60,000)		
Employer's pension	£10,000 - £15,000 (2014/15: £5,000 - £10,000)		
E Cox			
Remuneration	£50,000 - £55,000 (2014/15: £50,000 - £55,000)		
Employer's pension	£5,000 - £10,000 (2014/15: £5,000 - £10,000)		
J Lundy			
Remuneration	£10,000 - £15,000 (2014/15: £10,000 - £15,000)		
Employer's pension	£nil - £5,000 (2014/15: £nil - £5,000)		
S Turner			
Remuneration	£5,000 - £10,000 (2014/15:		N/A)
Employer's pension	£nil - £5,000 (2014/15:		N/A)

During the year ended 31 August 2016, travel and subsistence expenses totalling £0 (2014/15: £0) were reimbursed or paid directly to 0 trustees (2014/15 – 0).

### 10. Governors' and Officers' Insurance

The Academy is now part of the Department for Education's Academies Risk Protection Arrangement (RPA). Whilst not an insurance scheme, it is a mechanism through which the cost of risks that materialise from 1 September 2014 will be covered by Government funds. This provides Governors liability cover of £5m for any one loss and unlimited professional indemnity cover.

**NOTES TO THE ACCOUNTS (CONTINUED)**

**11. Tangible Fixed Assets**

	Leasehold Land & Buildings £	Furniture & Equipment £	2015/16 Computer Equipment & Software £	Assets Under Construction £	Total £
<b>Cost</b>					
At 1 September 2015	4,045,946	39,923	112,035	0	4,197,904
Additions	45,450	0	6,161	0	51,611
Disposals	0	0	0	0	0
<b>Gross Book Value at 31 August 2016</b>	<b>4,091,396</b>	<b>39,923</b>	<b>118,196</b>	<b>0</b>	<b>4,249,515</b>
<b>Depreciation</b>					
At 1 September 2015	239,166	10,100	24,298	0	273,564
Charged in Year	77,935	10,100	40,317	0	128,352
Disposals	0	0	0	0	0
<b>Depreciation at 31 August 2016</b>	<b>317,101</b>	<b>20,200</b>	<b>64,615</b>	<b>0</b>	<b>401,916</b>
<b>Net Book Value at 31 August 2015</b>	<b>3,806,780</b>	<b>29,823</b>	<b>87,737</b>	<b>0</b>	<b>3,924,340</b>
<b>Net Book Value at 31 August 2016</b>	<b>3,774,295</b>	<b>19,723</b>	<b>53,581</b>	<b>0</b>	<b>3,847,599</b>

Included within leasehold land and buildings is £3,774,295 (2014/15: £3,806,780) relating to long leasehold land and buildings.

**12. Debtors**

<b>2014/15</b> <b>£</b>	<b>2015/16</b> <b>£</b>
10,069 VAT Recoverable	7,982
15,615 Prepayments	17,522
26,797 Other Debtors	15,697
<b>52,481 Total</b>	<b>41,201</b>

**13. Creditors – amounts falling due within one year**

<b>2014/15</b> <b>£</b>	<b>2015/16</b> <b>£</b>
16,635 Trade Creditors	26,570
107,150 North East Lincolnshire Council - staff pay	123,161
4,336 Other Creditors	35,051
7,287 Deferred Income	5,982
<b>135,408 Total</b>	<b>190,764</b>

**NOTES TO THE ACCOUNTS (CONTINUED)**

**Deferred Income**

	2015/16 £
Deferred Income at 1 September 2015	7,287
Resources Deferred in the Year	5,982
Amounts Released from Previous Years	(7,287)
<b>Deferred Income at 31 August 2016</b>	<b>5,982</b>

The deferred income is funding that related to the period after 31 August 2016 and is funding from North East Lincolnshire Council to provide special educational needs support.

**14. Funds**

The income funds for the Academy comprise the following balances of grants and other income to be applied for specific purposes –

	Balance at 1 September	Incoming Resources	2015/16 Resources Expended	Gains, Losses & Transfers	Balance at 31 August
	£	£	£	£	£
<b>Restricted General Funds</b>					
General Annual Grant	69,573	1,516,337	(1,542,594)	(43,316)	0
Catering Income	0	11,303	(11,303)	0	0
Insurance Income	1,660	1,589	(3,249)	0	0
Pupil Premium Grant	0	92,342	(92,342)	0	0
Free School Meals Grant	36,071	56,301	(56,301)	0	36,071
Awards for All Grant	0	9,995	(9,995)	0	0
Sports Partnership Funding	0	9,430	(9,430)	0	0
Other Grants	500	4,551	(5,051)	0	0
Pension Reserve	(487,000)	0	(18,000)	(128,000)	(633,000)
Local Authority Funding	135,972	67,455	(176,116)	0	27,311
<b>Total Restricted General Funds</b>	<b>(243,224)</b>	<b>1,769,303</b>	<b>(1,924,381)</b>	<b>(171,316)</b>	<b>(569,618)</b>
<b>Restricted Fixed Asset Funds</b>					
DfE Capital Grants	0	8,295	(8,295)	0	0
Capital Expenditure from Restricted Funds	0	0	(43,316)	43,316	0
Donated Assets from Local Authority	3,924,340	0	(76,741)	0	3,847,599
<b>Total Restricted Fixed Asset Funds</b>	<b>3,924,340</b>	<b>8,295</b>	<b>(128,352)</b>	<b>43,316</b>	<b>3,847,599</b>
<b>Total Restricted Funds</b>	<b>3,681,116</b>	<b>1,777,598</b>	<b>(2,052,733)</b>	<b>(128,000)</b>	<b>3,277,981</b>
<b>Unrestricted Funds</b>	<b>164,951</b>	<b>19,991</b>	<b>(221)</b>	<b>0</b>	<b>184,721</b>
<b>Total Funds</b>	<b>3,846,067</b>	<b>1,797,589</b>	<b>(2,052,954)</b>	<b>(128,000)</b>	<b>3,462,702</b>

**Notes**

- (i) General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit to the amount it could carry forward at 31 August 2016.

**NOTES TO THE ACCOUNTS (CONTINUED)**

- (ii) Catering income from parents is used towards the costs of providing school meals.
- (iii) Insurance income is received for claims made through insurance premium arrangements.
- (iv) Awards for All Grant has been utilised on equipment for the school's early years provision.
- (v) Sports Partnership funding is received towards improving physical education (PE) and sport in primary schools.
- (vi) Pupil Premium Grant may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year.
- (vii) Devolved capital either allocated direct by the DfE or transferred on conversion from the local authority must be spent on capital purposes.
- (viii) Free School Meals Grant is provided to support the provision of free school meals to all pupils in reception, year 1 and year 2 in state funded schools
- (ix) The Pension Reserve recognises the schools current deficit position in respect of the Local Government Pension Scheme.
- (x) Local Authority funding is primarily provided for the provision of services for children with special educational needs and to support early years provision.

**15. Analysis of Net Assets Between Funds**

Fund balances at 31 August 2016 are represented by –

	2015/16			Total
	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	
	£	£	£	£
Tangible Fixed Assets	0	0	3,847,599	3,847,599
Current Assets	184,721	232,983	21,163	438,867
Current Liabilities	0	(169,601)	(21,163)	(190,764)
Pension Scheme Liability	0	(633,000)	0	(633,000)
<b>Total</b>	<b>184,721</b>	<b>(569,618)</b>	<b>3,847,599</b>	<b>3,462,702</b>

**16. Capital Commitments**

There are no contractual capital commitments at the 31 August 2016.

**NOTES TO THE ACCOUNTS (CONTINUED)**

**17. Events After the Balance Sheet Date**

There are no events that require reporting after the balance sheet date.

**18. Lease Commitments**

Operating Leases

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

2014/15 £	2015/16 £
Operating leases which expire:	
12,956	13,362
14,670	7,407
<b>27,626</b>	<b>20,769</b>

**19. Contingent Liabilities**

There are no contingent liabilities.

**20. 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 the East Riding Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

The employee and employer pension contributions are paid on the schools behalf by North East Lincolnshire Council each month. The amount outstanding as at 31 August 2016 for the schemes was £25,878 (2014/15 - £21,147) and this is included in the creditor amount due to North East Lincolnshire Council at the end of the financial year.

**Teachers' Pension Scheme (TPS)**

The Academy has set out below the latest information available for the scheme.

The 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 Regulation 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment of a change of contract, although they are able to opt out.

## NOTES TO THE ACCOUNTS (CONTINUED)

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 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%);
- 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; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- The assumed real rate of return is 3% 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 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 is as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer pension costs paid to TPS in the period amounted to £111,831 (2014/15 - £87,570)

A copy of the valuation report and supporting documentation is on the [Teachers' Pension website](#)

Under the definitions set out in Financial Reporting Standards 102 (FRS102), 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.

## NOTES TO THE ACCOUNTS (CONTINUED)

### Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds.

The total contribution made for the period ended 31 August 2016 was £133,830 (2014/15 - £104,073) of which employer's contributions totalled £110,436 (2014/15 - £85,654) and employees' contributions totalled £23,394 (2014/15 - £18,419). The agreed contribution rates for future years are 26.0% for employers, with the rate for employees being dependent on the individuals pay.

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

#### Financial Assumptions

	At 31 August 2015	At 31 August 2016
Rate of Increase in Pensions/Inflation	2.7%	2.1%
Rate of Increase in Salaries	4.1%	2.3%
Discount Rate	3.8%	2.1%

The estimated split of assets as at 31 August 2016 is -

	At 31 August 2015	At 31 August 2016
Equities	333	403
Bonds	44	59
Property	49	59
Cash	18	16
	<u>444</u>	<u>537</u>

The actual return on scheme assets was £108,000 (2014/15: £4,000).

### Mortality

The assumed life expectancies at age 65 are summarised below -

2014/15			2015/16	
Males	Females		Males	Females
21.9 years	24.1 years	Current Pensioners	21.9 years	24.1 years
24.2 years	26.7 years	Future Pensioners	24.2 years	26.7 years

**NOTES TO THE ACCOUNTS (CONTINUED)**

***Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for Year End 31 August 2016***

2014/15			2015/16		
Assets	Obligations	Net (Liability)/ Asset	Assets	Obligations	Net (Liability)/ Asset
£000	£000	£000	£000	£000	£000
444	0	444	537	0	537
0	(914)	(914)	0	(1,024)	(1,024)
444	(914)	(470)	537	(1,024)	(487)
<b>Opening Position at 1 September</b>					
<b>Service Cost</b>					
0	(87)	(87)	0	(111)	(111)
0	0	0	0	0	0
0	0	0	0	0	0
0	(87)	(87)	0	(111)	(111)
<b>Net Interest</b>					
18	0	18	23	0	23
0	(35)	(35)	0	(41)	(41)
0	0	0	0	0	0
18	(35)	(17)	23	(41)	(18)
<b>Total Defined Benefit Cost Recognised in Net Income/(Expenditure) for the Year</b>					
18	(122)	(104)	23	(152)	(129)
<b>Cashflows</b>					
18	(18)	0	24	(24)	0
84	0	84	111	0	111
0	0	0	0	0	0
(13)	13	0	(15)	15	0
0	0	0	0	0	0
0	0	0	0	0	0
89	(5)	84	120	(9)	111
<b>Expected Closing Position</b>					
551	(1,041)	(490)	680	(1,185)	(505)
<b>Remeasurements</b>					
0	0	0	0	0	0
0	14	14	0	(219)	(219)
0	3	3	0	6	6
(14)	0	(14)	85	0	85
0	0	0	0	0	0
<b>Total Remeasurements Recognised in Other Recognised Gains and Losses</b>					
(14)	17	3	85	(213)	(128)
<b>Closing Position</b>					
537	0	537	765	0	765
0	(1,024)	(1,024)	0	(1,398)	(1,398)
0	0	0	0	0	0
537	(1,024)	(487)	765	(1,398)	(633)
<b>Closing Defined Benefit Obligation at 31 August</b>					

**NOTES TO THE ACCOUNTS (CONTINUED)**

***Amounts Recognised in the Statement of Financial Activities***

	2014/15 £000	2015/16 £000
Current Service Cost (net of employee contributions)	3	0
Net Interest Cost	17	18
Benefit Changes on Curtailment or Settlements	0	0
<b>Total Operating Charge</b>	<b>20</b>	<b>18</b>

***Analysis of Projected Amount to be Charged to Income and (Expenditure) for the Period to 31 August 2017***

	Assets £000	Obligations £000	Net (Liability)/Asset £000	%
Projected Current Service Cost	0	(160)	(160)	(37.5%)
Past Service Cost Including Curtailments	0	0	0	0.0%
Effect of Settlements	0	0	0	0.0%
<b>Total Service Cost</b>	<b>0</b>	<b>(160)</b>	<b>(160)</b>	<b>(37.5%)</b>
Interest Income on Plan Assets	17	0	17	4.0%
Interest Income on Defined Benefit Obligation	0	(31)	(31)	(7.3%)
<b>Total Net Interest Cost</b>	<b>17</b>	<b>(31)</b>	<b>(14)</b>	<b>(3.3%)</b>
<b>Total Included in Income and (Expenditure)</b>	<b>17</b>	<b>(191)</b>	<b>(174)</b>	<b>(40.8%)</b>

***Sensitivity Analysis***

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below -

Change in Assumptions at 31 August 2016:	Approximate Increase to Employer Liability %	Approximate Monetary Amount £000
0.5% Decrease in Real Discount Rate	14%	198
1 Year Increase in Member Life Expectancy	3%	42
0.5% Increase in the Salary Increase Rate	5%	69
0.5% Increase in the Pension Increase Rate	9%	124

**21. 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.

## NOTES TO THE ACCOUNTS (CONTINUED)

### 22. Reconciliation of Net Income to Net Cash Flows from Operating Activities

2014/15 £	2015/16 £
(33,700) Net Income	(255,365)
(7,952) DfE Capital Grants Received in Year	(8,295)
(569) Interest Received	(546)
<i>Non cash transactions</i>	
111,965 Depreciation	128,352
3,000 Defined Benefit Pension Scheme Cost less Contributions Payable	0
17,000 Defined Benefit Pension Scheme Finance Cost	18,000
(5,980) (Increase)/Decrease in Debtors	11,280
(238) Increase/(Decrease) in Creditors	55,356
<b>83,526 Net Cash provided by/(used in) Operating Activities</b>	<b>(51,218)</b>

### 23. Analysis of Changes in Net Funds

	At 1 Sept 2015 £	Cash Flows in Period £	At 31 Aug 2016 £
Cash in Hand and at Bank	491,654	(93,988)	397,666
Notice Deposits (less than 3 months)	0	0	0
<b>Total Cash and Cash Equivalents</b>	<b>491,654</b>	<b>(93,988)</b>	<b>397,666</b>

### 24. Related Party Transactions

There were no related party transactions in the period, other than certain trustees' remuneration and expenses already disclosed in note 9.

### 25. FRS102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102.

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 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The changes that have resulted are largely presentational. The main change is in the analysis of income and expenditure within the Statement of Financial Activities. In addition, pension changes under FRS102 has resulted in £10,000 of costs to the Pension Reserve being now charged in 2014/15 under Academy's Educational Operations that was previously recorded under Other Recognised Gains and Losses in the Statement of Financial Activities. The changes have had no impact on either the total balances or on the individual fund balances of the trust.