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Company Registration Number: 07713512 (England & Wales)

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

Dr B McGucken
Mr K Hailwood
Blackburn Diocese Board of Education
Rev S Timmins (appointed 13 November 2016)
Parochial Church Council of Christ Church Parbold

Governors

Dr B McGucken, Foundation Governor & Chair of Governors^{1,2,5}
Mr K Hailwood, Foundation Governor, Vice Chair of Governors & Chair of
Resources Committee^{1,3,4,5}
Mrs K Baybut, Foundation Governor & Chair Standards Committee^{1,2,4}
Mr J. Baker, Foundation Governor & Chair of Premises, Health & Safety^{1,3,4}
Mr C Lawson, Staff Governor (resigned 1 July 2017)²
Mrs A Jones, Foundation Governor^{1,2}
Mrs J Santi, Foundation Governor²
Mr G Carruthers, Foundation Governor^{2,3,5}
Mrs S Rowland, Parent Governor
Mrs H C Collinson, Parent Governor
Rev. S Timmins, Foundation Governor (appointed 13 November 2016)
Mrs N Watts, Head Teacher (appointed 1 May 2017)
Mrs K Pym, Associate Principal (resigned 31 March 2017)
Mrs K Diamond, Staff Governor (resigned 31 August 2017)

- 1 Resources Committee
- 2 Standards Committee
- 3 Premises Committee
- 4 Remuneration Committee
- 5 Teaching School

Company registered number

07713512

Company name

Parbold Douglas Church of England Academy

Principal and registered office

Lancaster Lane, Parbold, Lancashire, WN8 7HS

Company secretary

Joanne Jarvis

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Senior management team

Mrs N Watts, Headteacher (May 2017)
Mrs K Pymm, Principal (September 2016 - March 2017)

Mrs D Cook, Vice Principal
Mr C Lawson, Vice Principal

Independent auditor

Crowe Clark Whitehill LLP, The Lexicon, Mount Street, Manchester, M2 5NT

Bankers

Royal Bank of Scotland, The Common, Parbold, Lancashire, WN8 7DB

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

Structure, governance and management

a. 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 Parbold Douglas Church of England Academy are also the directors of the Charitable Company for the purpose of company law.

The Charitable Company is known as Parbold Douglas Church of England Academy.

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

b. MEMBERS' LIABILITY

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while 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.

c. GOVERNORS' INDEMNITIES

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 of up to £2,000,000 on any one claim.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

In accordance with the Articles of Association two governors are ex officio (The Incumbent of Christ Church Parbold and the Headteacher). Three are appointed by Blackburn Diocese and four by the PCC of Christ Church Parbold. Two are elected by parents and two are staff elected by the academy staff.

Governors are appointed for a fixed term of 4 years but are eligible for re-election at the end of the fixed term.

The Governing Body currently comprises of 13 Trust Board members (Board members are appointed as Directors under the Companies Act 2006) including, the Headteacher and two staff governors, both employed by the trust and two parent governors, elected by the parents.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

A new and more comprehensive Induction plan for new Governors has been developed. It includes an induction

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

meeting with the Chair of Governors and an on-line pack of relevant information such as the Articles of Association. They arrange to attend a full day training course for new Governors provided by LCC Governor Services. Ongoing training of trustees is bought in from Governor Services. This year this included an externally moderated Self Evaluation with a subsequent action plan now implemented. Three trustees have completed Safeguarding training this year and one completed Safer Recruitment.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

f. ORGANISATIONAL STRUCTURE

The Governing Body roles and responsibilities were reviewed in annually September.

The Governors are organised into a number of committees who form policy to be agreed at main Governing Body meetings. The bodies comprise Health/Safety and Premises, Resources/Audit, (Staffing & Finance combined, Standards, remuneration and Teaching School.

Two new committees were formed in September 2014, Remuneration and Teaching School.

The Governors are responsible for setting general policy, including the vision, aims and ethos of the Academy and the monitoring of academic standards, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. During the period under review, Governors held 12 meetings. All Governors receive monthly newsletters and are kept up to date by regular e mail. Many Governors help in school on a regular basis, often accompanying visits and attending events. All Governors have access to all policies, procedures, minutes, accounts, budgets and plans that they need to discharge their Governing Body duties. The Internal Auditor has monitored the changes to processes and makes regular reports to the Governing Body. The Governing Body approves the Statutory Accounts. The levels of authorisation of budget spend are detailed in the finance manual.

The day to day management of the Academy is delegated by the Governing Body to the Headteacher who is the Accounting Officer. The Vice Principal and the School Business Manager support the Headteacher.

The Board and each committee have Terms of Reference which are reviewed annually. Decisions such as approval of the annual budget and the Annual Report are reserved for the Board as are senior staff appointments such as Headteacher and Vice Principal. The Board also receives and adopts the annual Safeguarding report.

The role of Principal was changed to Headteacher from 1 May 2017. For the purpose of these annual accounts Headteacher is referred to.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Performance management of the Headteacher is carried out by a panel of three trustees advised by the School Advisor. Three objectives are set for each school year. These are reviewed mid-year by the panel and Advisor and again at the end of the year. On the basis of how well the objectives have been met the panel decides on any progression up the pay scale and this is ratified by the full Board.

Annual individual staff performance objectives are set by the Headteacher and reviewed at the end of the academic year. Recommendations are submitted by the Headteacher to a Remuneration committee of trustees who make the final decision on pay progression.

No trustee received any remuneration.

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

There are no related parties, which either control or significantly influence the decisions or operations of Parbold Douglas Church of England Academy. There are no sponsors.

The Academy works closely with parents and our Foundation Parish to further the principal activities of the

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Academy.

The Academy works closely with Parbold Douglas Nursery Ltd. to provide pre-school education for 2 - 4 year olds.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the Charitable Company is the operation of Parbold Douglas Church of England Primary Academy - to advance for the public benefit education in the United Kingdom offering a broad and balanced curriculum conducted in accordance with the principles practices and tenets of the Church of England.

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 pupils to the Academy, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the National Curriculum.

The main objectives of the Academy during the period ended 31 August 2017 are to prepare children for living and learning responsibly in society by:

- Encouraging a love of learning, an ability to question and think rationally, to show initiative and independence and apply themselves to all tasks conscientiously.
- Enabling each child to progress towards the realisation of his/her potential, regardless of age, cultural background, disability, gender, race or religious beliefs.
- Encouraging children to take a pride in themselves, to learn how to be healthy and stay safe, to develop a happy disposition and adopt a measured approach towards life and decision making.
- Promoting a respect and understanding for the Anglican Communion of which we are a member as well as the cultural and religious principles of others, particularly those within our own school and community.
- Encouraging good behaviour by showing courtesy, good manners, consideration for the needs of others and respect for the ethos of the school.
- Recognising that parents are the prime educators and encouraging a close partnership between home and school
- Delivering a broad and balanced curriculum with emphasis on the acquisition of literacy and numeracy skills, enrichment activities and learning through fun and investigation.
- Constantly monitoring and evaluating all aspects of our performance in order to raise standards still further.
- Working in partnership with the local community and industry to deepen an understanding of the wider world.

Our aims underpin every aspect of day to day life. To help achieve these aims, our school offers a happy, safe and welcoming atmosphere.

Children are encouraged to learn through first hand experience in a stimulating environment. Staff development

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

is a priority and the school boasts a professional team with considerable expertise.

Children aim to be:

- Well mannered and well behaved;
- Hardworking and engaged;
- Helpful and caring;
- Smart, safe and tidy.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Parbold Douglas Church of England Primary Academy seeks to provide an all-round education for children in a bright and stimulating and fun atmosphere. We have the highest expectations of pupil attainment, teacher performance and parental involvement and we encourage everyone to strive for excellence, in order to achieve potential. We seek challenge and embrace change in order to improve. To this end, the activities provided include:

- Well planned learning opportunities for all pupils to achieve in line with or exceed expectations in the EYFS, KS1 and KS2 statutory assessments,
- Professional development opportunities for all staff,
- For all staff to have annual performance management objectives set and reviewed,
- Pupil involvement in leadership decisions through the use of our pupil council,
- A broad, balanced and creative curriculum provided for all pupils,
- Opportunities for extended learning through the provision of extra-curricular activities,
- Talent spotting of all individuals on the staff including succession planning in order to maintain and move beyond "outstanding,"
- Talent spotting of all pupils and encouraging and fostering the areas identified,
- a fully inclusive education, available to all.
- Provision for Governor/Director training

The School Development sets out clear priorities for improvement across the school and key milestones are linked to these to enable effective monitoring and evaluation with a focus on impact and outcomes for pupils.

A staff well being survey was carried out followed by consultation with staff resulting in an Action Plan which is now in place with a well-being group in place to lead on these actions and feedback to all staff. Challenging outcomes for children were set and progress monitored closely. A major drive was made to ensure pupils had mastery of areas of learning before moving on. Attendance and punctuality targets of 98% were set (see below).

c. PUBLIC BENEFIT

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

We have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Strategic report

Achievements and performance

a. KEY PERFORMANCE INDICATORS

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

Analysis of pupil data and test results confirm that the Governing Body has utilised its financial resources, including the Pupil Premium Grant, to ensure that all children meet their full potential.

The Academy is also monitored through the completion and submission to the EFA of

- The annual abbreviated accounts record,
- The financial plan for the period 2014-2016,
- The annual financial Management and Governance Evaluation %

b. GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. The overall educational provisions of the Academy and its continuing excellent academic results mean it has a very good reputation in the community. There is a high demand for places in Reception also linked to the presence in school of the Nursery. The success of the Nursery itself also generates extra income for the Academy. For these reasons the Board 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 Accounting Policies.

c. REVIEW OF ACTIVITIES

The following Key Financial Performance (KPIs) have been achieved for the year ended 31 August 2017:

Reception percentage of children achieving a good level of development (GLD): 80%

Y1 Phonics screening: 70% pass (90% previous year).

Key Stage 1 Assessment Results:

	School % at expected standard	Provisional National average	School % at Greater Depth	Provisional National Average % at greater depth
Reading	81%	76%	16%	25%
Writing	74%	68%	26%	16%
Maths	84%	75%	29%	21%

Key Stage 2 Assessment Results

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	% expected standard	Provisional National average at expected standard	% at higher standard	Provisional National average at higher standard	Average Scaled Score	Ni
Reading	100%	71%	41%	25%	109	
Writing	94%	76%	31%	18%		
Maths	97%	75%	50%	23%	110	
Grammar	97%	77%	31%	31%	109	
Reading/Writing/M aths combined	94%	61%	19%	9%		

School Progress measures

Reading +1.27 (confidence interval -0.89 to +3.42)
Writing 0.36 (confidence interval -2.46 to 1.73)
Maths +2.81 (confidence interval +0.86 to +4.76)

Progress scores will be centred around 0, with most schools in the range -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 than those with similar prior attainment nationally.

Attendance: 96.2%. This figure has been impacted on by a child who is in school for part time education because of particular needs linked to an Education and Health care Plan (EHCP).

Numbers in school are 219.

Parbold Douglas Nursery Ltd

Parbold Douglas Nursery Ltd numbers continue to grow and support the Reception intake.

Duggies

The number of children attending the Duggies before and after school club has increased and school has provided a bespoke space within school for this club.

Teaching School

This has been another successful year for the Teaching School with 5 Associate teachers being awarded PGCE with Qualified Teacher Status. The Teaching School has worked in conjunction with the University of Cumbria who validate the PGCE.

The number of schools in the Parbold Douglas Teaching School Alliance has increased to 15 schools as of June 2016. All schools that joined the alliance from September 2015 have requested that they stay within the alliance.

All of the schools currently within the alliance support a similar ethos and 9 are faith schools.

Parbold Douglas Teaching School has supported 1 other Faith school that does not wish to have involvement in the School Direct strand.

In September 2016, most schools are not involved in the School Direct strand, but are involved in other Teaching School strands.

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Financial review

a. RESERVES POLICY

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Governors have determined that the appropriate level of free reserves should be equivalent to three months net payroll, approximately £160,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves and cash at the bank on 31st August 2017 was £251,559 (2016 £232,597.).

b. MATERIAL INVESTMENTS POLICY

The Academy holds surplus cash balances on short fixed term deposits with Royal Bank of Scotland Bank. During the period the academy acquired 100% of the share capital of the company Parbold Douglas Nursery Limited, a company incorporated in the UK.

c. PRINCIPAL RISKS AND UNCERTAINTIES

The Academy has undertaken work during the period to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Based on its mission, the Resources Committee undertakes a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific, preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Resources Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained at the Academy level which is reviewed termly by the Resources Committee and more regularly when necessary. The risk register identifies key risks, the likelihood of these risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The following principal risks were identified:

1. Failure to attract pupils to Reception Class. This was addressed by a marketing strategy including an Open Day, and promoting a seamless transition process from our nursery to the infant section. We have been successful to the extent that applications exceeded our admission number of 30 pupils, however this number decreased due to family moves and applications to more than one authority..
2. Viability of Teaching School. As a result of the appointment of a new Headteacher the Teaching School is being monitored by the National College to decide whether or not it will be redesignated. From the Academy perspective viability also entails recruiting a viable number of students to the School Direct programme.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

d. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy's financial objectives are:

- To set and operate within an agreed and balanced budget,
- To generate extra income through our development of the Parbold Douglas Teaching School
- To apply at all times, best value principles in all purchases,
- To monitor and evaluate the value for money of all staff,
- To prevent all areas of wastage.

Plans for future periods

a. FUTURE DEVELOPMENTS

School Development Priorities 2017-2018

1. Improve the quality of teaching across the school through the effective use of assessment of and for learning
2. Improve quality of teaching and learning in English
3. Develop the role of middle leaders
4. Manage leadership of SEND to ensure impact on progress of SEND pupils and a focus on outcomes
5. Develop provision in EYFS

As part of these development priorities:

- Inducting new DHT and new teaching staff
- Training of the Board of Governors of the current requirements of Ofsted
- Appointment of SENDCo
- Development of Computing Suite to focus on curriculum provision but e-learning and safety as a key element
- Support key secondary schools and their feeder schools in managing Transition to focus on outcomes for children
- To recruit a viable number of students to our School Direct programme working with Edge Hill University.
- To continue to build strong links with the parish with the new incumbent.
- To review and refresh the school Vision
- To further develop the unique Christian nature of the school through worship and the Gospel values it promotes.

FUNDS HELD AS CUSTODIAN

There are no funds held as Custodian Trustee on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Governors are aware:

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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

AUDITOR

Crowe Clark Whitehill are willing to continue in office and a decision on this will be made at the Annual General Meeting.

The Governors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 4.12.17 and signed on its behalf by:



Dr B McGucken
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Parbold Douglas Church of England 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 board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Parbold Douglas Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Governor	Meetings attended	Out of a possible
Dr B McGucken, Foundation Governor & Chair of Governors	18	20
Mr K Hailwood, Foundation Governor, Vice Chair of Governors & Chair of Resources Committee	23	23
Mrs K Baybut, Foundation Governor & Chair Standards Committee	15	19
Mr J. Baker, Foundation Governor & Chair of Premises, Health & Safety	6	8
Mr C Lawson, Staff Governor	7	7
Mrs A Jones, Foundation Governor	10	13
Mrs J Santi, Foundation Governor	8	10
Mr G Carruthers, Foundation Governor	11	11
Mrs S Rowland, Parent Governor	6	8
Mrs H C Collinson, Parent Governor	8	12
Rev. S Timmins, Foundation Governor	4	5
Mrs N Watts, Head Teacher	12	16
Mrs K Pym, Associate Principal	16	16
Mrs K Diamond, Staff Governor	6	7

REVIEW OF VALUE FOR MONEY

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

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

- Obtaining a CIF grant to replace the boiler system. The contract was awarded following a tendering process.
- Quotations for the replacement of KS2 classroom carpets.
- Quotations for ICT updates.

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GOVERNANCE STATEMENT (continued)

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 Parbold Douglas Church of England Academy for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the audit 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 board of trustees has considered the need for a specific internal audit function and has decided to appoint Mrs Sarah Carruthers as internal auditor.

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the audit 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.

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

REVIEW OF EFFECTIVENESS

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GOVERNANCE STATEMENT (continued)

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 4 December 2017 and signed on their behalf, by:


Dr B McGucken
Chair of Trustees


Mrs N Watts
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Parbold Douglas Church of England Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



Mrs N Watts
Accounting Officer

4.12.17

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors (who act as governors of Parbold Douglas Church of England Academy and 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 and Skills 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 the group 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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 and the group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 4.12.17 and signed on its behalf by:



Dr B McGucken
Chair of Trustees

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY**

OPINION

We have audited the financial statements of Parbold Douglas Church of England Academy (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the group Consolidated statement of financial activities incorporating income and expenditure account, the group Consolidated balance sheet, the group Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent academy's affairs as at 31 August 2017 and of the group's 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 and Charities Act 2011, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' Report including the Group Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the group and the parent academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Group Strategic Report.

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of 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, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the group's and the parent

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
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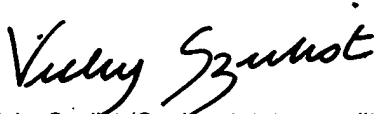
**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY**

academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group's or the parent academy's or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Vicky Szulist (Senior statutory auditor)

for and on behalf of

Vicky Szulist (Senior Statutory Auditor)

Crowe Clark Whitehill LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date: 15th December 2017

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 18 October 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Parbold Douglas Church of England Academy during the year 1 September 2016 to 31 August 2017 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 Parbold Douglas Church of England Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Parbold Douglas Church of England Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Parbold Douglas Church of England Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Parbold Douglas Church of England Academy's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY
(continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Vicky Szulist (Senior statutory auditor)

Crowe Clark Whitehill LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date: *13th December 2017.*

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	3	-	-	281,296	281,296	209,877
Charitable activities	6	67,056	877,538	-	944,594	950,189
Other trading activities	4	293,731	-	-	293,731	335,971
Investments	5	592	-	-	592	741
TOTAL INCOME		361,379	877,538	281,296	1,520,213	1,496,778
EXPENDITURE ON:						
Parbold Douglas Nursery Limited		187,377	-	-	187,377	200,757
Charitable activities		155,040	682,286	160,386	997,712	1,035,119
TOTAL EXPENDITURE	7	342,417	682,286	160,386	1,185,089	1,235,876
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		18,962	195,252	120,910	335,124	260,902
Actuarial gains / (losses) on defined benefit pension schemes	22	63,000	-	-	63,000	(175,000)
NET MOVEMENT IN FUNDS		81,962	195,252	120,910	398,124	85,902
RECONCILIATION OF FUNDS:						
Total funds brought forward		232,597	(298,910)	2,705,775	2,639,462	2,553,560
TOTAL FUNDS CARRIED FORWARD		314,559	(103,658)	2,826,685	3,037,586	2,639,462

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

(A company limited by guarantee)

REGISTERED NUMBER: 07713512

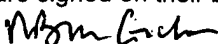
**CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		2,840,366		2,632,305
Investments	13		-		-
			<u>2,840,366</u>		<u>2,632,305</u>
CURRENT ASSETS					
Debtors	14	122,508		51,778	
Cash at bank and in hand		703,615		472,203	
		<u>826,123</u>		<u>523,981</u>	
CREDITORS: amounts falling due within one year	15	(215,224)		(71,118)	
NET CURRENT ASSETS			<u>610,899</u>		<u>452,863</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,451,265</u>		<u>3,085,168</u>
CREDITORS: amounts falling due after more than one year	16		(6,679)		(7,706)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>3,444,586</u>		<u>3,077,462</u>
Pension scheme liability	22		(407,000)		(438,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>3,037,586</u></u>		<u><u>2,639,462</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	366,342		139,090	
Restricted fixed asset funds	18	2,826,685		2,705,775	
		<u></u>		<u></u>	
Restricted income funds excluding pension liability		3,193,027		2,844,865	
Pension reserve		(407,000)		(438,000)	
		<u></u>		<u></u>	
Total restricted income funds			2,786,027		2,406,865
Unrestricted income funds	18		251,559		232,597
TOTAL FUNDS			<u><u>3,037,586</u></u>		<u><u>2,639,462</u></u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 AUGUST 2017

The financial statements on pages 23 to 53 were approved by the Governors, and authorised for issue, on **4.12.17** and are signed on their behalf, by:


Dr B McGucken
Chair of Trustees

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY

(A company limited by guarantee)

REGISTERED NUMBER: 07713512

**ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		2,840,366		2,632,305
Investments	13		12,000		12,000
			<u>2,852,366</u>		<u>2,644,305</u>
CURRENT ASSETS					
Debtors	14	182,396		164,166	
Cash at bank		622,386		344,218	
		<u>804,782</u>		<u>508,384</u>	
CREDITORS: amounts falling due within one year	15	(205,883)		(67,521)	
NET CURRENT ASSETS			<u>598,899</u>		<u>440,863</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,451,265</u>		<u>3,085,168</u>
CREDITORS: amounts falling due after more than one year	16		(6,679)		(7,706)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>3,444,586</u>		<u>3,077,462</u>
Defined benefit pension scheme liability	22		(407,000)		(438,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>3,037,586</u></u>		<u><u>2,639,462</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds		366,342		139,090	
Restricted fixed asset funds		2,826,685		2,705,775	
		<u>3,193,027</u>		<u>2,844,865</u>	
Restricted funds excluding pension asset					
Pension reserve		(407,000)		(438,000)	
		<u></u>		<u></u>	
Total restricted funds			2,786,027		2,406,865
Unrestricted funds			251,559		232,597
TOTAL FUNDS			<u><u>3,037,586</u></u>		<u><u>2,639,462</u></u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

ACADEMY BALANCE SHEET (continued)
AS AT 31 AUGUST 2017

The financial statements were approved by the Governors, and authorised for issue, on 4.12.17 and are signed on their behalf, by:


Dr B McGucken
Chair of Trustees

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>101,576</u>	<u>81,675</u>
Cash flows from investing activities:			
Returns on investments and servicing of finance		592	741
Purchase of tangible fixed assets		(152,052)	(129,310)
Capital grants from DfE/ESFA		<u>281,296</u>	<u>207,849</u>
Net cash provided by investing activities		<u>129,836</u>	<u>79,280</u>
Cash flows from financing activities:			
Cash inflows from new borrowing		-	8,220
Net cash provided by financing activities		<u>-</u>	<u>8,220</u>
Change in cash and cash equivalents in the year		231,412	169,175
Cash and cash equivalents brought forward		<u>472,203</u>	<u>303,028</u>
Cash and cash equivalents carried forward	21	<u><u>703,615</u></u>	<u><u>472,203</u></u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Parbold Douglas Church of England Academy constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy alone as permitted by section 408 of the Companies Act 2006.

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.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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 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 in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

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

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All expenditure is 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

In order to support the Academy's commitment to the local community, a decision was taken to offer the Government funded, additional 15 hours of free childcare at Parbold Douglas Nursery Limited from September 2017. Due to the way in which the DfE has implemented this offer, there is a high probability of a negative impact to the profitability of the Nursery. This will be closely monitored in the current year.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.6 Basis of consolidation

The financial statements consolidate the accounts of Parbold Douglas Church of England Academy and all of its subsidiary undertakings ('subsidiaries').

The academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the academy was £63,703 (2016 - £106,395).

1.7 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

L/Term Leasehold Property	-	50 years
Leasehold improvements	-	Between 3 and 8 years
Fixtures, fittings and equipment	-	Between 3 and 4 years
Computer equipment	-	3 years
Boiler inc. in leasehold improvements	-	25 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.

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.9 Operating leases

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

1.10 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.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.11 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.

1.12 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.

1.13 Liabilities and provisions

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

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

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 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.

1.15 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

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**NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2017.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	-	-	-	2,028
Devolved Formula Capital allocations	-	6,396	6,396	12,410
Condition Improvement Fund (CIF)	-	274,900	274,900	195,439
	-	281,296	281,296	209,877
<i>Total 2016</i>	2,028	207,849	209,877	

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Fundraising Income	463	-	463	1,385
Lettings Income	5,459	-	5,459	27,434
Parbold Douglas Nursery Limited	287,809	-	287,809	307,152
	293,731	-	293,731	335,971
<i>Total 2016</i>	335,971	-	335,971	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	592	-	592	741
<i>Total 2016</i>	741	-	741	

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6. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Funding for educational operations	67,056	877,538	944,594	950,189
<i>Total 2016</i>	94,235	855,954	950,189	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	752,786	752,786	710,293
LACSEG SEN Funding	-	8,284	8,284	3,457
Pupil Premium	-	19,430	19,430	19,030
Teaching School Funding-School Direct	-	60,293	60,293	105,388
	-	840,793	840,793	838,168
Other government grants				
School Lunch Grant	200	-	200	-
Other government grants	-	12,560	12,560	17,786
	200	12,560	12,760	17,786
Other funding				
School Meal Income	32,696	24,185	56,881	57,066
School Trip Income	22,106	-	22,106	14,180
After School Club Income	1,011	-	1,011	1,197
Other School Income	11,043	-	11,043	21,792
	66,856	24,185	91,041	94,235
	67,056	877,538	944,594	950,189
<i>Total 2016</i>	94,235	855,954	950,189	

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7. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Parbold Douglas Nursery Limited	-	-	187,377	187,377	200,757
Funding for education:					
Direct costs	452,027	-	71,654	523,681	602,493
Support costs	200,450	63,644	210,106	474,200	432,457
	<u>652,477</u>	<u>63,644</u>	<u>469,137</u>	<u>1,185,258</u>	<u>1,235,707</u>
<i>Total 2016</i>	<u>688,079</u>	<u>26,085</u>	<u>521,450</u>	<u>1,235,614</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	49,510	57,661
Auditor's remuneration - audit	6,850	6,397
Auditor's remuneration - other services	570	650
Governance Internal audit costs	600	600
	<u>57,530</u>	<u>65,308</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	476,165	526,684
Social security costs	60,867	64,897
Operating costs of defined benefit pension schemes	98,663	92,591
	<u>635,695</u>	<u>684,172</u>
Apprenticeship levy	-	1,907
Supply teacher costs	16,782	2,000
	<u>652,477</u>	<u>688,079</u>

No non-statutory payments were incurred during the year.

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

	2017 No.	2016 No.
Teachers	10	12
Education support	9	10
Other support	7	6
	<u>26</u>	<u>28</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	0	1

During the year ended 31 August 2016 pension contributions for this staff member amounted to £9,670.

The key management personnel of the Academy comprise the Principal and Vice Principal. During the year, Key Management personnel received total employee benefits of £147,955 (2016: £120,612).

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**NOTES TO THE FINANCIAL STATEMENTS
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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 Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		2017 £	2016 £
Mrs B Cooper, Principal Governor	Remuneration	-	55,000-60,000
	Pension contributions paid	-	5,000-10,000
Miss C Mawdesley (Staff governor)	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000
C Lawson (Staff governor)	Remuneration	35,000-40,000	30,000-35,000
	Pension contributions paid	5,000-10,000	0-5,000
Miss Katie Diamond (Staff governor)	Remuneration	25,000-30,000	-
	Pension contributions paid	0-5,000	-
N Watts (Principal and governor)	Remuneration	35,000-40,000	
	Pension contributions paid	5,000-10,000	

During the year ended 31 August 2017, no Governors received any reimbursement of expenses (2016 - £NIL).

During 2016/17, K Pym was a temporary principal from September 2016 to March 2017, however was not an employee of the school.

11. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £63 (2016 - £308).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TANGIBLE FIXED ASSETS

Group and Academy	Leasehold property £	Leasehold improvements £	Fixtures & fittings £	Total £
Cost				
At 1 September 2016	2,600,000	253,955	5,224	2,859,179
Additions	-	257,571	-	257,571
At 31 August 2017	2,600,000	511,526	5,224	3,116,750
Depreciation				
At 1 September 2016	188,083	35,280	3,511	226,874
Charge for the year	37,000	11,204	1,306	49,510
At 31 August 2017	225,083	46,484	4,817	276,384
Net book value				
At 31 August 2017	2,374,917	465,042	407	2,840,366
At 31 August 2016	2,411,917	218,675	1,713	2,632,305

The Academy Fixed assets are identical to those of the group, as disclosed above.

13. FIXED ASSET INVESTMENTS

Academy	Shares in group undertakings £
At 1 September 2016 and 31 August 2017	12,000

The academy owns 100% of the share capital of the company Parbold Douglas Nursery Limited, a company incorporated in the UK.

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14. DEBTORS

	<u>Group</u>		<u>Academy</u>	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	3,827	6,180	-	-
Amounts owed by group undertakings	-	-	68,462	118,568
Other debtors	17,498	23,812	17,498	23,812
Prepayments and accrued income	101,183	21,786	96,436	21,786
	<u>122,508</u>	<u>51,778</u>	<u>182,396</u>	<u>164,166</u>

15. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Academy</u>	
	2017	2016	2017	2016
	£	£	£	£
Other loans	1,541	514	1,541	514
Trade creditors	244	-	17	-
Other taxation and social security	243	9	243	9
Other creditors	28,220	11,813	26,810	8,813
Accruals and deferred income	184,976	58,782	177,272	58,185
	<u>215,224</u>	<u>71,118</u>	<u>205,883</u>	<u>67,521</u>

	<u>Group</u>		<u>Academy</u>	
	£	£	£	£
Deferred income				
Deferred income at 1 September 2016	24,439	31,673	30,641	31,673
Resources deferred during the year	29,894	24,439	29,894	30,641
Amounts released from previous years	(24,439)	(31,673)	(30,641)	(31,673)
Deferred income at 31 August 2017	<u>29,894</u>	<u>24,439</u>	<u>29,894</u>	<u>30,641</u>

Deferred income relates to free school meals and income received in advance for school trips and music lessons.

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16. CREDITORS: Amounts falling due after more than one year

	Group		Academy	
	2017	2016	2017	2016
	£	£	£	£
Other loans	6,679	7,706	6,679	7,706

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Academy	
	2017	2016	2017	2016
	£	£	£	£
Repayable by instalments	6,679	7,706	6,679	7,706

The funding for CIF project was part funded through an interest-free Salix energy efficiency loan. Loan funding is calculated up to a maximum of an 8-year payback and will be recovered by a reduction in the monthly general Annual Grant (GAG) payments issued by the Education Funding Agency.

17. FINANCIAL INSTRUMENTS

	2017	2016
	£	£
Financial assets measured at amortised cost	805,154	505,495
Financial liabilities measured at amortised cost	189,943	40,760

Financial assets measured at amortised costs within the academy are £718,418 (2016:£489,898).

Financial liabilities measured at amortised costs within the academy are £180,602 (2016: £37,213)

Financial assets consist of cash, trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities consist of trade creditors, other creditors and accruals.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds					
General Funds	232,597	361,379	(342,417)	-	251,559
Restricted funds					
General Annual Grant (GAG)	139,090	752,586	(525,334)	-	366,342
LACSEG SEN Funding	-	8,284	(8,284)	-	-
Pupil Premium	-	19,430	(19,430)	-	-
Other government grants	-	12,760	(12,760)	-	-
School Direct	-	17,500	(17,500)	-	-
Teaching School Funding	-	42,793	(42,793)	-	-
Free school meals	-	24,185	(24,185)	-	-
Pension reserve	(438,000)	-	(32,000)	63,000	(407,000)
	(298,910)	877,538	(682,286)	63,000	(40,658)
Restricted fixed asset funds					
Transfer of Building	2,496,213	-	(48,310)	-	2,447,903
Devolved Formula Capital	-	6,396	-	-	6,396
Fixtures and fittings	14,123	-	(1,200)	-	12,923
Condition Improvement Fund (CIF)	195,439	274,900	(110,876)	-	359,463
	2,705,775	281,296	(160,386)	-	2,826,685
Total restricted funds	2,406,865	1,158,834	(842,672)	63,000	2,786,027
Total of funds	2,639,462	1,520,213	(1,185,089)	63,000	3,037,586

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds					
General Funds	155,042	125,823	(154,663)	106,395	232,597
Parbold Douglas Nursery Limited	-	307,152	(200,757)	(106,395)	-
	155,042	432,975	(355,420)	-	232,597

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	56,793	710,293	(627,996)	-	139,090
LANSEC SEN Funding	-	3,457	(3,457)	-	-
Pupil Premium	-	19,030	(19,030)	-	-
Other Government Grants	-	10,205	(10,205)	-	-
School Direct	35,138	7,581	(42,719)	-	-
Teach First	-	51,388	(51,388)	-	-
Teaching School Funding	-	54,000	(54,000)	-	-
Pension reserve	(249,000)	-	(14,000)	(175,000)	(438,000)
	<u>(157,069)</u>	<u>855,954</u>	<u>(822,795)</u>	<u>(175,000)</u>	<u>(298,910)</u>

Restricted fixed asset funds

Transfer of Building	2,552,231	-	(56,018)	-	2,496,213
Fixtures and fittings	3,356	12,410	(1,643)	-	14,123
Condition Improvement Fund (CIF)	-	195,439	-	-	195,439
	<u>2,555,587</u>	<u>207,849</u>	<u>(57,661)</u>	<u>-</u>	<u>2,705,775</u>
Total restricted funds	<u>2,398,518</u>	<u>1,063,803</u>	<u>(880,456)</u>	<u>(175,000)</u>	<u>2,406,865</u>
Total of funds	<u>2,553,560</u>	<u>1,496,778</u>	<u>(1,235,876)</u>	<u>(175,000)</u>	<u>2,639,462</u>

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

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18. STATEMENT OF FUNDS (continued)

Restricted General Funds are used specifically to provide educational resources for the pupils of the Academy. Restricted Fixed Asset Funds provide for the installation, maintenance and repair of the Fixed Assets of the Academy. Unrestricted Funds are those other resources which may be used to further the objectives of the Academy.

The transfer from the restricted general funds to fixed assets reflect capital expenditure from GAG funding. The transfer from unrestricted funds to restricted funds represents unrestricted funds providing for the provision of education in line with GAG conditions and the repayment of the lottery grant.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2017. Note 2 discloses whether the limit was exceeded.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	211,260	-	2,629,106	2,840,366
Current assets	15,978	612,566	197,579	826,123
Creditors due within one year	-	(215,224)	-	(215,224)
Creditors due in more than one year	(6,679)	-	-	(6,679)
Provisions for liabilities and charges	31,000	(438,000)	-	(407,000)
	<u>251,559</u>	<u>(40,658)</u>	<u>2,826,685</u>	<u>3,037,586</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	2,632,305	2,632,305
Current assets	232,597	217,914	73,470	523,981
Creditors due within one year	-	(71,118)	-	(71,118)
Creditors due in more than one year	-	(7,706)	-	(7,706)
Provisions for liabilities and charges	-	(438,000)	-	(438,000)
	<u>232,597</u>	<u>(298,910)</u>	<u>2,705,775</u>	<u>2,639,462</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	Group
	£	2016
		£
Net income for the year (as per Statement of Financial Activities)	335,124	260,902
Adjustment for:		
Depreciation charges	49,510	57,661
Returns on investments and servicing of finance	(592)	(741)
Increase in debtors	(70,730)	(17,487)
Increase/(decrease) in creditors	37,560	(24,811)
FRS 17 pension cost less contributions payable	-	27,000
FRS 17 pension finance income	32,000	(13,000)
Capital grants from DfE and other capital income	(281,296)	(207,849)
Net cash provided by operating activities	101,576	81,675

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	Group
	£	2016
		£
Cash at bank	703,615	472,203
Total	703,615	472,203

22. PENSION COMMITMENTS

The group'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 Tameside MBC. Both are Multi-employer defined benefit pension schemes.

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

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

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,

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NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (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
- 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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £58,637 (2016 - £52,308).

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 2017 was £45,578 (2016 - £36,382), of which employer's contributions totalled £35,740 (2016 - £26,383) and employees' contributions totalled £9,838 (2016 - £9,999). The agreed contribution rates for future years are 15.2% for employers and 5.5% 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

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22. PENSION COMMITMENTS (continued)

Department for Education. The guarantee came into force on 18 July 2013.
Local Government Pension Scheme

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.40 %	2.10 %
Expected return on scheme assets at 31 August	- %	4.18 %
Rate of increase in salaries	3.70 %	3.30 %
Rate of increase for pensions in payment / inflation	2.20 %	1.90 %
Inflation assumption (CPI)	2.20 %	1.80 %

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

	2017	2016
Retiring today		
Males	22.6	23
Females	25.2	25.6
Retiring in 20 years		
Males	24.9	25.2
Females	27.9	27.9

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	895,000	848,000
Mortality assumption - 1 year increase	931,000	883,000
CPI rate +0.1%	933,000	887,000

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	222,000	165,000
Government bonds	10,000	-
Other bonds	12,000	11,000
Property	53,000	41,000
Cash and other liquid assets	23,000	15,000
Other	187,000	197,000
Total market value of assets	507,000	470,000

The actual return on scheme assets was £[enter amount] (2016 - £82,000).

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22. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	867,000	560,000
Employee contributions	10,000	10,000
Actuarial (gains)/losses	(30,000)	244,000
Interest cost	18,000	21,000
Current service cost	58,000	40,000
Benefits paid	(9,000)	(8,000)
	<u>914,000</u>	<u>867,000</u>
Closing defined benefit obligation	<u>914,000</u>	<u>867,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	429,000	311,000
Expected return on assets	-	13,000
Interest income	9,000	-
Actuarial gains	33,000	69,000
Employee contributions	10,000	10,000
Benefits paid	(9,000)	(8,000)
Administrative expenses	(1,000)	(1,000)
Contribution by employer	36,000	35,000
	<u>507,000</u>	<u>431,000</u>
Closing fair value of scheme assets	<u>507,000</u>	<u>431,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the group's future minimum lease payments under non-cancellable operating leases was:

Group	2017	2016
	£	£
Amounts payable:		
Within 1 year	4,159	3,072
Between 1 and 5 years	9,872	3,695
After more than 5 years	2,436	-
Total	16,467	6,767

At 31 August 2017 the academy had annual commitments under non-cancellable operating leases as follows:

Academy		
Amounts payable:		
Within 1 year	4,159	3,072
Between 1 and 5 years	9,872	3,695
After more than 5 years	2,436	-
Total	16,467	6,767

24. RELATED PARTY TRANSACTIONS

During the year the Academy incurred costs of £600 (2016: £600) for the internal audit which was carried out by S Carruthers, who is the wife of foundation governor Mr G Carruthers. All related party transactions are inline with the Academies Financial Handbook and Academies Accounts Direction 2016/17.

The academy has utilised the exemption in FRS 102 not disclose transactions with wholly owned group companies.

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25. PRINCIPAL SUBSIDIARIES

Parbold Douglas Nursery Limited

Subsidiary name	Parbold Douglas Nursery Limited
Company registration number	08466952
Basis of control	Wholly owned subsidiary
Equity shareholding %	100%
Total assets as at 31 August 2017	£ 89,803
Total liabilities as at 31 August 2017	£ (77,803)
Total equity as at 31 August 2017	£ 12,000
Turnover for the year ended 31 August 2017	£ 287,809
Expenditure for the year ended 31 August 2017	£ 287,809
Result for the year ended 31 August 2017	£ -

26. 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.