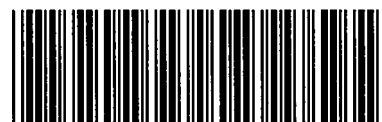


**Great Corby School  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements  
Year ended 31 August 2016**

**Company Registration Number:  
07727695 (England and Wales)**

THURSDAY



\*A5MCHCO0\*

A43

22/12/2016

#333

COMPANIES HOUSE

**SAINT & CO**  
CHARTERED ACCOUNTANTS

# **Great Corby School**

## **Contents**

<b>Item</b>	<b>Page</b>
Reference and Administrative Details	1
Governors' Annual Report	2
Governance Statement	9
Statement on Regularity, Propriety and Compliance	12
Statement of Trustees' Responsibilities	13
Independent Auditor's Report on the Financial Statements	14
Independent Reporting Accountant's Report on Regularity	16
Statement of Financial Activities incorporating Income & Expenditure Account	18
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	21

# Great Corby School

## Reference and Administrative Details

Page 1

### Members

Mrs S Moss  
Mrs L Smith  
Mrs M Kennedy

### Directors

Mr C Marshall (Resigned 31.08.16)  
Mrs R Harrison-Palmer (Resigned 31.08.16)  
Mrs M Kennedy (Appointed 01.09.15)

### Trustees

Miss K Williamson  
Mrs S Moss (Resigned 01.09.15)  
Mrs M Kennedy  
Mrs L Smith (Resigned 01.09.15)  
Mr C Marshall (Resigned 31.08.16)  
Mrs R Harrison-Palmer (Resigned 31.08.16)  
Mrs T Tunnickliff  
Mrs R Arora  
Ms J Clarke  
Mrs A Summers  
Mrs H Dodd  
Ms J Simpson (Appointed 25.04.16)  
Ms V Rose (Appointed 01.09.15)

### Company Secretary

Mrs L Coulthard

### Senior Management Team:

#### Principal

Miss K Williamson

### Company Name

#### Principal and Registered Office

Great Corby School  
Great Corby School  
Great Corby, Carlisle, CA4 8NE  
07727695 (England and Wales)

### Company Registration Number

### Independent Auditor

Saint & Co Chartered Accountants  
The Old Police Station, Church Street  
Ambleside, Cumbria, LA22 0BT

### Bankers

Cumberland Building Society  
Castle Street  
Carlisle, CA3 8RX

## **GOVERNORS' ANNUAL REPORT**

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 August 2016. The annual report serves the purposes of both a trustees report and a directors' report under company law.

### **Structure, Governance and Management**

The academy trust is a company limited by guarantee with no share Capital and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy trust. The governors act as the trustees for the charitable activities of Great Corby School Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Great Corby School.

The governors / directors of the academy are made up of volunteers who meet regularly through two committees; the Premises, Finance, Health and Safety Committee and the Curriculum, Staffing and Standards Committee. These committees report to the full governing body each term. The management and running of the school is delegated to the headteacher and the senior leadership team.

### **Members' Liability**

Each member of the Academy Trust undertakes to contribute such amount as may be required (not exceeding £10) to contribute to the Academy Trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Academy Trust's debts and liabilities before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

### **Governors' Indemnities**

The governors / directors of the academy trust are covered by indemnity insurance paid for by the trust.

### **Principal Activities**

The academy trust commenced its activities on 1st February 2012.

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

### **Governors**

The Academy's Governing body is established in accordance with the Academy's memorandum of association. Governors are elected every 4 years (with the exception of the Head teacher / Principle). Subject to remaining eligible to be a particular type of Governor any Governor may be re-appointed or re-elected. During the period the Governors held four meetings.

The following Governors were in office at the 31st August 2016:

Miss J Simpson  
Miss K Williamson  
Mrs M Kennedy  
Mrs T Tunnicliff  
Mrs R Arora  
Ms J Clarke  
Mrs A Summers  
Mrs H Dodd  
Ms V Rose

No Governors received any remuneration in respect of their duties as Governors.

**GOVERNORS' ANNUAL REPORT (continued)****Method of Recruitment and Appointment or Election of Governors**

When recruiting new members to their board, existing trustees must be clear in their own minds about the school's purpose and aims. They also need to understand their broader duties and responsibilities as trustees, to ensure both that they are acting in the best interests of the school, and that they are in a position to explain to new trustees what is required of them. Trustees need to ensure that they, rather than staff, retain overall responsibility and control of the trustee recruitment, selection and induction process. Existing trustees have a clear role to play in overseeing the effective management of an open and efficient process. This applies whether trustees themselves select new colleagues, or whether other arrangements apply (for example, election or nomination by a membership). An assessment of the skills present, or "skills audit", of the existing trustees is a best practice way to identify gaps. This assessment should include consideration of what skills are required by the board to perform effectively, and whether there are any gaps. Schools should use trustee "job descriptions" or similar guidance to provide prospective trustees with a balanced account of what the role of trustee entails, including their duties and responsibilities as a trustee. The new trustees will be nominated by existing trustees and voted on to the board by the governing body.

**Policies and Procedures Adopted for the induction and Training of Trustees**

Each new trustee is provided with an 'Induction Training for New Academy Governors' booklet and governor training is regularly reviewed and carried out through the local council, small schools network and the LASL.

**Organisational structure**

Great Corby Foundation School converted to Great Corby School Academy Trust by the authority of the Secretary of State for Education on the 1st February 2012. The management structure consists of two levels, the Governors and the school's senior leadership team. The aim of the management structure is to develop responsibility and encourage the involvement of decision making at all levels.

The Governors are responsible for setting general policies, adopting a school development plan and budget, monitoring the school's performance, making major policy decisions and appointing senior staff.

The current leadership Team comprises:

- Head teacher / Principal

The Head Teacher manages the school at an executive level, implementing the policies laid down by the Governors and reporting back to them.

The Head teacher liaises with governors on a regular basis. Daily staff briefings are held throughout the week. The Head teacher will also meet with the representatives of the professional associations and trade union representatives when necessary.

The Head teacher is responsible for the authorisation of spending within agreed budgets and the appointment of staff.

**Arrangements for setting key personnel pay**

As trustees, we can confirm that the arrangements for setting the pay and remuneration for the academy's principal, as the academy's most senior management personnel, complies with the School Teachers Pay and Conditions Document (STPCD) and is set in line with the national leadership group pay range for England and Wales. Other staff trustees who are classed as key management personnel are remunerated on the same principles as other non trustee staff.

**Risk Management**

The governors have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

## GOVERNORS' ANNUAL REPORT (continued)

### Related Parties and other Connected Charities and Organisations

Great Corby School is part of a chain of academies/schools working towards academy status within the Brampton area. The aims and objectives are as follows:

1. To improve the quality of teaching and learning throughout the partnership.
2. To develop partnership models for all levels of self-evaluation.
3. To extend better professional development opportunities for all staff.
4. To ensure value for money in all our schools, some of which are very small, and to add capacity and improve efficiency thus ensuring more available resource for students.

Great Corby School is also part of the Small Schools Consortium.

### Objectives and Activities

#### Objectives and Aims

The principle objective and activity of the Academy Trust is the education of students from a wide range of abilities between the ages of 3 to 11.

In accordance with the company's articles of association the Academy Trust has adopted a funding agreement approved by the Secretary of State for Education. The funding agreement specifies, amongst other things, the basis for admitting students, the catchment area, and that the curriculum should comply with the substance of the national curriculum.

The main objective during the period ending 31st August 2016 was 'Taking pride in ourselves, each other and our work.'

We aim for all our children to:

- Ensure everybody receives the individual opportunities necessary to reach their full potential.
- Encourage and support all members of our school community to become self-motivated, independent and determined learners with the courage and resilience to adapt to new challenges.
- Help our children to become caring, empathetic and trustworthy members of the school who respect the needs and rights of others.
- Promote a respectful learning environment where collaborative learning prepares our children for their next steps.
- Ensure our children know they have a voice and are able to question and debate in an articulate and appropriate way.
- Encourage our children to be curious, enquiring, imaginative and investigative in order to solve problems in a variety of contexts.
- Develop the reading, writing and mathematical skills our children require to live independently.
- Ensure our children have opportunities to develop the skills and knowledge required to make healthy lifestyle choices.
- Enable our children to experience and value a wide range of creative opportunities.
- Develop our children's understanding of the world we live in and their respect of other cultures, religions and beliefs.
- Make our children aware of the impact history has, and continues to have, on us.
- Encourage our children to explore new opportunities outside of school by giving them a wide range of opportunities to develop their interests and skills.
- Ensure the school plays an active part in the wider community.

#### Mission

We will recognise and value the diverse needs of all our children, staff and community, whilst providing a safe, secure, healthy and stimulating environment. We will promote self-esteem and confidence through building a learning environment with a broad and balanced curriculum, which continually raises standards through sharing good practice and continued professional development. We will offer a variety of approaches to promote learning and a mixture of teaching styles to cater for all learners.

## **GOVERNORS' ANNUAL REPORT (continued)**

### **Strategies**

To develop a stimulating, broad and rich curriculum for children to enjoy and achieve.  
To foster an ethos of continuous development in order to raise standards.  
To promote collaborative work in school and with the community.  
To continue to promote the ethos of good behaviour through positive strategies.  
To maintain and develop a safe and secure site valued and respected by the community.  
To provide an environment where children can achieve economic wellbeing.  
To encourage a healthy active lifestyle.

### **Equal Opportunities**

The Academy Trust aims to establish equal opportunity in all the areas of its activities, to develop a working environment where everyone's contribution is valued.

### **Disabled Persons**

The school adheres to their Equal Opportunities Policy.

### **Public Benefit**

The academy trust governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. The following activities show how the academy trust has benefited the community in which they are situated:

- Community Cohesion
- Cathedral Outreach Programme
- Office hub
- Bulb planting
- Tree planting
- Mother & toddler Group
- Tea/Coffee afternoon
- Harvest Festival
- Christmas Performance
- Christmas Fair
- Family disco

## **Strategic Report**

### **Achievements and performance**

It is the fifth year for Great Corby School as an Academy. There were many successes throughout the period. Activities undertaken to ensure we achieved our objectives included:

- Residentials
- Trips
- Themed days and events
- Collaboration with other schools
- Class assembly performances
- Sporting achievements
- Specialist visitors
- The Museum of Egyptology project with Tullie House
- The Easter Experience at the local church

**GOVERNORS' ANNUAL REPORT (continued)**Examination Results

SATS results 2016:

**Year 2 (GDS = Greater Depth Standard, Ex = Expected):**

Reading	Science	Writing	Maths	Phonics
Ex = 78%	Ex = 67%	Ex = 78%	Ex = 78%	100% pass
GDS = 11%			GDS = 11%	

**Year 6 (GDS = Greater Depth Standard, Ex = Expected):**

Reading	Science	Writing	Maths
Ex = 69%	Ex = 54%	Ex = 62%	Ex = 62%
High = 23%			High = 15%

**SPAG (Spelling, Punctuation and Grammar)**

Ex = 69%  
High = 15%

**Going Concern**

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

**Financial Review**

The academy's accounts show a surplus of £54,186 made prior to the actuarial loss on the defined benefit pension scheme (2015: surplus of £53,891). When including the actuarial loss on the defined pension scheme the accounts show a deficit of £33,814 (2015: £53,891 - as nil actuarial gains/losses).

The financial position of the Academy as at 31 August 2016 is summarised as follows:

- (a) The General Annual Grant (GAG) carried forward to 2016/2017 is £160,271 which represented some 46.2% of the annual GAG. The academy is not subject to a limit set by Education Funding Agency whereby the grant would be reclaimed. The academy has reached their targetted reserves level, which is cumulatively, some 3-5% of the revenue budget to provide a financial safeguard for the future. The main financial policies applied in arriving at this balance are included in the accounting policies.
- (b) The Local Government Pension Scheme as it relates to the Academy as part of the combined Cumbria pension fund has been valued by the actuary as having a net deficit of £171,000 as at 31 August 2016. This deficit may increase in future years if the economic climate does not improve and contributions, both employer and employee, are not increased, but the required funding is not available to reduce this significantly in the short term. However, improvements in the national economic position will obviously have a positive effect on the Academy position. This is a material figure in terms of the Academy's total assets and further details on the figures are included in note 22 to the accounts.
- (c) The main funding source for the Academy is the Education Funding Agency which provides, by way of grant, some 80% of total income. Other income is derived from nursery income and before and after school clubs.

The total income received has been invested in the furtherance of the outstanding education provided at the Academy by the employment of suitably qualified teaching staff, the provision of specialist staff support for both teaching and the various support functions of the Academy, the provision of suitable resources for the staff and students and the maintenance and refurbishment of the buildings and equipment.



## GOVERNORS' ANNUAL REPORT (continued)

### Reserves Policy

The Governors will review and agree the levels of reserves the Academy holds in line with the EFA guidelines during 2016 - 2017. The LGPS liability will have an impact on what level these reserves should be held at.

The Local Government Pension Scheme as it relates to the Academy as part of the combined Cumbria pension fund has been valued by the actuary as having a net deficit of £171,000 as at 31st August 2016. This is a material figure in terms of the Academy's total assets and further details on the figures are included in note 22 to the accounts. The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against the GAG, in accordance with EFA guidance.

The Academy had total funds at 31 August 2016 of £485,568 which included £1,469 restricted funds not available for general purposes of the Academy Trust, £52,606 of free reserves defined as unrestricted funds available for general purposes and £436,074 which can only be realised by the disposal of tangible fixed assets. The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £219,024.

### Principal Risks and Uncertainties

As trustees, we can confirm that the risks of fraud, theft or irregularity occurring which the academy trust is exposed, as identified by the trustees, have been reviewed, and as far as possible, address the risk in our internal control systems and assurance arrangements by putting in place proportionate controls to manage those risks. The internal control systems and the exposure to risks are matters that are considered on a regular basis by management and the trustees.

### Financial and Risk Management Objectives and Policies

The academy's exposure to credit, cash flow and liquidity risks are minimised by the very nature of the trust activities. Grant funding is received at the beginning of each month, which ensures a positive cash flow throughout the financial year. Income from other sources, are not a large part of the trusts income and therefore do not form a significant credit risk. Bank balances are positive and the academy holds cash reserves.

### Plans for Future Periods

Strategic Intention:

- To maintain and develop a safe secure and imaginative learning environment;
- To build an additional classroom to improves teaching and learning throughout the school;
- To improve hand writing across the school;
- Review update and audit all subject areas in the light of a cross curriculum skills led approach;
- Increase parent involvement in school;
- To develop science teaching across the school
- To develop the role of the school in the community;
- To continue to develop assessment processes appropriate to the school needs;
- To develop the role of the School Council;
- To continue to develop, update and improve the use of ICT throughout the curriculum;
- To continue to develop the new grammar and phonics initiative;
- To develop more appropriate opportunities for gifted and talented children;
- To work with other outside professionals to provide a wider breadth to our curriculum.

**GOVERNORS' ANNUAL REPORT (continued)**

**Auditors**

In so far as the governors are aware:

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

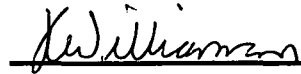
Saint and Co have been appointed as auditors and they are willing to continue in office and a resolution to appoint them will be proposed at the next meeting.

The governors' report, incorporating a strategic report was approved by order of the members of the governing body on 14/12/16 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'M Kennedy', written over a horizontal line.

**Mrs M Kennedy**

**Chair of Governors and Academy Trustee**

A handwritten signature in black ink, appearing to be 'K Williamson', written over a horizontal line.

**Miss K Williamson**

**Headteacher & Accounting Officer**

## GOVERNANCE STATEMENT

### Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Great Corby School 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 to loss.

The board of trustees has delegated the day-to-day responsibility to the principal, 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 Great Corby School 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.

- The Academy is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use of disposition;
- The proper records are maintained and financial information used within the Academy or for publication is reliable;
- The Academy complies with relevant laws and regulations.

### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 8 times during the period.

The governing body acts only as a body as prescribed by law and not as individual members. It supports the development and promotion of vision, mission, goals and strategies of the school system; consults and confers with the Headteacher on all matters as they arise that concern the school system and on which the school committee may take action; supports the Headteacher in all matters that conform to committee policy. The governing body has been split into two sub-committees: the Finance, Property, Health and Safety Committee and the Curriculum, Staffing and Standards Committee. These committees meet prior to the full governors meeting. The Chair of each sub-committee then shares information at the full governors meeting. The Finance, Property, Health & Safety Committee is a sub-committee of the main governing body.

The Finance, Premises, Health and Safety Committee reviews and approves the budget and works to ensure that necessary funds are appropriated for the school. It oversees the operation of the annual school budget. In addition, it carries out regular Health & Safety checks to ensure school is a safe environment.

The Curriculum, Staffing and Standards Committee appoints the Headteacher. Hires legal bodies. Disciplines or terminates employment of the Headteacher in accordance with the terms of the contract of employment. Establishes, upon the recommendation of the Headteacher the performance standards for teachers and other employees; evaluates the performance of the Headteacher; conducts self-evaluation of the committee's effectiveness in meeting its stated goals and performing its role in school governance. It also establishes and periodically reviews educational goals and policies for the school. Reviews and approves an annual school improvement plan. It approves adoption or revision of school curriculum and textbooks upon recommendation of the Headteacher.

Attendance during the year at meetings of the governing body and sub committees was as follows:

	Full board		FPH&S		CS&S		Total
	possible	attended	possible	attended	possible	attended	Attended
M Kennedy	8	7	4	4	3	3	14
K Williamson	8	8	4	4	3	3	15
C Marshall	8	1	4	0	N/A	N/A	1
T Tunncliff	8	7	4	1	N/A	N/A	8
R Arora	8	7	N/A	N/A	3	3	10
J Clarke	8	7	3	3	N/A	N/A	10
A Summers	8	6	N/A	N/A	3	3	9
H Dodd	8	5	1	1	3	2	8
V Rose	8	6	N/A	N/A	3	3	9
J Simpson	3	1	1	1	N/A	N/A	2
L Coulthard	8	8	4	4	3	3	15

**GOVERNANCE STATEMENT (continued)****Review of Value for Money**

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

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

- Ensuring regularity, propriety and value for money
- Complying with the Academy Financial Handbook
- Keeping and maintaining full and accurate accounting records

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Great Corby School for the period to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**Capacity To Handle Risk**

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

**The Risk and Control Framework**

The Academy's system of internal financial control is based on 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 governing body;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

In addition, the governors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have:

Set policies on internal controls which cover the following:

- the type of risks the Academy faces;
- the level of risk which they regard as acceptable;
- the likelihood of the risks materialising;
- the Academy's ability to reduce the incidence and impact on the Academy's operations of risk that do materialise;
- the costs of operating particular controls relative to the benefits obtained;
- clarified the responsibility of the Management Team to implement the governors' policies and to identify and evaluate risks for the governors' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in the Academy's operations so that it becomes part of the culture of the Academy;
- developed systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment;

**GOVERNANCE STATEMENT (continued)**


**Review of effectiveness**

As accounting officer the principal 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 responsible officer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and plan to address weaknesses and ensure continuous improvement of the systems is in place.

Approved by order of the members of the governing body on 14/12/16 and signed on its behalf by:

  
Mrs M Kennedy

Chair of Governors and Academy Trustee

  
Miss K Williamson

Headteacher & Accounting Officer

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of Great Corby School Academy Trust, I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust governing body 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.

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 EFA.



**Miss K Williamson**

**Headteacher & Accounting Officer**

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

The trustees (who act as governors of Great Corby School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Account Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the governing body on 14/12/16 and signed on its behalf by:



Mrs M Kennedy

Chair of Governors and Academy Trustee

## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF GREAT CORBY SCHOOL**

We have audited the financial statements of Great Corby School for the year ended 31 August 2016 which comprise the Statement of Financial Activities (including income and expenditure account), the Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company'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 company's governors 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 company and the company's governors as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR**

As explained more fully in the Governors' Responsibilities Statement, the governors (who are also the directors of Great Corby School for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Governors Annual Report (which includes the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.



**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF  
GREAT CORBY SCHOOL (continued)**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



**Mr Ian Thompson (Senior Statutory Auditor)**

For and on behalf of

Saint & Co

Chartered Accountants & Statutory Auditors

The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

Date: 16/12/16

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY  
TO GREAT CORBY SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING  
AGENCY**

In accordance with the terms of our engagement letter dated 2 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Great Corby School Academy Trust during the period 01 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF GREAT CORBY SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Great Corby School Academy Trust's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 01 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

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

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

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY  
TO GREAT CORBY SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING  
AGENCY (continued)**

The work undertaken to draw our conclusion includes:

- the Financial Management & Governance Evaluation (FMGE) was obtained;
- having a general awareness of regularity and propriety whilst conducting the statutory audit function;
- reviewing if extra-contractual payments for staff have been made in accordance with the Handbook;
- reviewing if borrowing agreements, including leases to ensure they have been made in accordance with the Handbook;
- reviewing the minutes of the meeting of the main committees during the year;
- reviewing expenditure to check that it was not ultra vires to the charitable objectives;
- obtaining trustee / governor's declaration of interests.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 01 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

---

**Mr Ian Thompson (Reporting Accountant)**

For and on behalf of  
Saint & Co

Chartered Accountants & Statutory Auditors

The Old Police Station, Church Street, Ambleside, Cumbria, LA22 0BT

Date: \_\_\_\_\_

**Statement of Financial Activities  
for the year ended 31 August 2016  
(including Income and Expenditure Account)**

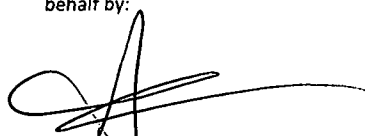
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	716	-	14,916	15,632	5,787
<b>Charitable activities:</b>						
Funding for the academy trust's educational operations	3	12,862	407,611	-	420,473	388,303
Other trading activities	4	47,576	-	-	47,576	62,870
Investments	5	1,060	-	-	1,060	786
Other income	6	-	-	-	-	56
<b>Total</b>		<b>62,214</b>	<b>407,611</b>	<b>14,916</b>	<b>484,741</b>	<b>457,802</b>
<b>Expenditure on:</b>						
Raising funds	8	37,281	-	-	37,281	31,313
<b>Charitable activities:</b>						
Academy trust educational operations	9	11,501	375,052	6,721	393,274	372,598
<b>Total</b>		<b>48,782</b>	<b>375,052</b>	<b>6,721</b>	<b>430,555</b>	<b>403,911</b>
<b>Net income / (expenditure)</b>		<b>13,432</b>	<b>32,559</b>	<b>8,195</b>	<b>54,186</b>	<b>53,891</b>
<b>Transfers between funds</b>	10	(237)	237	-	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	18, 22	-	(88,000)	-	(88,000)	-
<b>Net movement in funds</b>		<b>13,195</b>	<b>(55,204)</b>	<b>8,195</b>	<b>(33,814)</b>	<b>53,891</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		39,411	50,622	429,349	519,382	465,491
<b>Total funds carried forward</b>		<b>52,606</b>	<b>(4,582)</b>	<b>437,544</b>	<b>485,568</b>	<b>519,382</b>

# Balance Sheet as at 31 August 2016

Company Number 07727695

	Note	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Tangible assets	14		436,075		429,349
<b>Current assets</b>					
Stock	15	50		50	
Debtors	16	15,376		20,248	
Cash at bank and in hand		<u>234,892</u>		<u>203,841</u>	
		250,318		224,139	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	17	<u>(29,825)</u>		<u>(60,106)</u>	
<b>Net current assets</b>			<u>220,493</u>		<u>164,033</u>
<b>Total assets less current liabilities</b>			656,568		593,382
Creditors: Amounts falling due after more than one year			<u>-</u>		<u>-</u>
<b>Net assets excluding pension liability</b>			<u>656,568</u>		<u>593,382</u>
Defined benefit pension scheme liability	22	<u>(171,000)</u>		<u>(74,000)</u>	
<b>Total assets</b>			<u>485,568</u>		<u>519,382</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	18	437,544		429,349	
. Restricted income fund	18	166,418		124,622	
. Pension reserve	18	<u>(171,000)</u>		<u>(74,000)</u>	
<b>Total restricted funds</b>			432,962		479,971
<b>Unrestricted income funds</b>	18		<u>52,606</u>		<u>39,411</u>
<b>Total funds</b>			<u>485,568</u>		<u>519,382</u>

The financial statements were approved by the trustees, and authorised for issue on 14/12/16 2016 and are signed on their behalf by:



Mrs M Kennedy  
Chair of Trustees

# Statement of Cash Flows for the year ended 31 August 2016

	2016	2015
	£	£
<b>Cash flows from operating activities</b>		
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	54,186	53,891
Adjusted for:		
Depreciation charges	6,721	7,377
Capital grants from DfE and other capital income	(14,916)	(4,891)
Interest receivable	(1,060)	(786)
Gains on disposals of fixed assets	-	(56)
Defined benefit pension scheme cost less contributions payable	5,000	4,000
Defined benefit pension scheme finance cost	4,000	2,000
(Increase)/decrease in debtors	4,872	(1,850)
Increase/(decrease) in creditors	(30,281)	7,956
<b>Net cash provided by / (used in) Operating Activities</b>	<b>28,522</b>	<b>67,641</b>
<b>Cash Flows from Financing Activities</b>	<b>2016</b>	<b>2015</b>
	£	£
Repayments of borrowing	-	(1,269)
<b>Net cash provided by / (used in) financing activities</b>	<b>-</b>	<b>(1,269)</b>
<b>Cash Flows from Investing Activities</b>	<b>2016</b>	<b>2015</b>
	£	£
Dividends, interest and rents from investments	1,060	786
Proceeds from sale of tangible fixed assets	-	200
Purchase of tangible fixed assets	(13,447)	(10,091)
Capital grants from DfE/EFA	4,926	4,891
Capital funding received from sponsors and others	9,990	-
<b>Net cash provided by / (used in) investing activities</b>	<b>2,529</b>	<b>(4,214)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>31,051</b>	<b>62,158</b>
<b>Cash and cash equivalents at 1 September 2015</b>	<b>203,841</b>	<b>141,683</b>
<b>Cash and cash equivalents at the 31 August 2016</b>	<b>234,892</b>	<b>203,841</b>
<b>Analysis cash and cash equivalents</b>	<b>At 31 August</b>	<b>At 31 August</b>
	<b>2016</b>	<b>2015</b>
	£	£
Cash in hand and at bank	234,892	203,841
<b>Total cash and cash equivalents</b>	<b>234,892</b>	<b>203,841</b>

## **Notes to the Financial Statements for the period ended 31 August 2016**

### **1 Statement of Accounting Policies**

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

#### **Basis of Preparation & Statement of Compliance**

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 (FRS102), 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 (Charities SORP (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Great Corby School Academy Trust meets the definition of a public benefit entity under FRS 102.

#### **First time adoption of FRS 102**

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

#### **Going Concern**

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

# Great Corby School

## Notes to the Financial Statements for the period ended 31 August 2016

### (continued)

Page 22

#### Income

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

- **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the 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**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

- **Donations**

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

- **Other Income**

Other income, including Nursery and Before and after school club, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

#### Deferred Income

Grants and other funding received for the academy's educational activities for a period spanning the year end are deferred pro-rata to the relevant periods in order to match the funding to the period in which the costs of charitable activities are incurred.



# Great Corby School

## Notes to the Financial Statements for the period ended 31 August 2016

### (continued)

Page 23

#### 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**

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

- **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT

#### Tangible Fixed Assets

Assets costing £250 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Tangible fixed assets transferred on conversion to Academy status have been included in the accounts at valuation.

Land and buildings are classed as long leasehold if there is over 50 years unexpired lease term at the balance sheet date.

Tangible fixed assets since the Academy was established are included in the accounts at cost.

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 each asset on a straight-line/reducing balance basis over its expected useful life, as follows:

- |                            |   |  |
|----------------------------|---|--|
| ● Long leasehold buildings | - | Straight line over the term of the lease (125 years) |
| ● Fixtures & fittings      | - | 10% Reducing balance                                 |
| ● Computer equipment       | - | Straight line over 3 years                           |

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

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.

# **Great Corby School**

## **Notes to the Financial Statements for the period ended 31 August 2016**

### **(continued)**

Page 24

#### **Liabilities**

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

#### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

#### **Leased Assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

#### **Stock**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving stock.

#### **Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

#### **Pensions Benefits**

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

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

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.

**Great Corby School**  
**Notes to the Financial Statements for the period ended 31 August 2016**  
**(continued)**

Page 25

**Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

Restricted general funds comprise all other restricted funds received, including the General Annual Grant, with restrictions imposed by the funder/donor.

The Local Government Pension Scheme deficit is recognised against restricted general funds in order to match it against GAG, in accordance with EFA guidance.

Details of restricted and unrestricted funds are shown in the notes to the financial statements.

**Critical accounting estimates and areas of judgement**

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

*Critical accounting estimates, assumptions and judgements*

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 pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The annual depreciation charge is sensitive to the estimated useful economic lives of property. The useful economic lives of property, plant and equipment is initially based on the professional valuers report using their judgement and experience. The useful economic lives are assessed annually and changed when necessary to reflect current thinking on their remaining lives.

## Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Capital Grants	-	4,926	4,926	4,891
Big Lottery Fund Grant	-	9,990	9,990	-
Donations	716	-	716	896
	<u>716</u>	<u>14,916</u>	<u>15,632</u>	<u>5,787</u>

The income from donations and capital grants was £15,632 (2015: £5,787) of which £14,916 was restricted fixed asset funds (2015: £4,891) and £716 was unrestricted (2015: £896).

## 3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
<b>DfE / EFA grants</b>				
. General Annual Grant (GAG)	-	346,421	346,421	331,523
. Start Up Grants	-	-	-	-
. Other DfE/EFA grants	-	39,496	39,496	45,134
	<u>-</u>	<u>385,917</u>	<u>385,917</u>	<u>376,657</u>
<b>Other Government grants</b>				
. Local authority grants	-	4,801	4,801	2,190
. Special educational projects	-	-	-	-
	<u>-</u>	<u>4,801</u>	<u>4,801</u>	<u>2,190</u>
Other income from the academy trust's educational operations	12,862	16,893	29,755	30,677
	<u>12,862</u>	<u>407,611</u>	<u>420,473</u>	<u>409,524</u>

The income from funding for the Academy Trust's educational operations was £420,473 (2015: £409,524) of which £12,862 was unrestricted (2015: £8,707) and £407,611 restricted (2015: £400,817).

## 4 Other Trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Before & After school club	15,383	-	15,383	13,609
Nursery income	32,193	-	32,193	28,040
	<u>47,576</u>	<u>-</u>	<u>47,576</u>	<u>41,649</u>

The income from other trading activities was £47,576 (2015: £41,649) of which all £47,576 was unrestricted (2015: £41,649).

## 5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	1,060	-	1,060	786
	<u>1,060</u>	<u>-</u>	<u>1,060</u>	<u>786</u>

The income from investments was £1,060 (2015: £786) of which all £1,060 was unrestricted (2015: £786).

## Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 6 Other income

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Gains / Losses on disposal of tangible fixed assets for charity's own use	-	-	-	56
	<u>-</u>	<u>-</u>	<u>-</u>	<u>56</u>

The income from other income was £nil (2015: £56) of which £nil (2015: £56) was restricted fixed assets.

## 7 Expenditure

	Staff Costs £	Non Pay Expenditure Premises £	Other £	Total 2016 £	Total 2015 £
Expenditure on raising funds	36,788	-	493	37,281	31,313
Academy's educational operations:					
Direct costs	230,994	2,367	62,924	296,285	286,899
Allocated support costs	50,206	27,287	19,496	96,989	85,699
	<u>317,988</u>	<u>29,654</u>	<u>82,913</u>	<u>430,555</u>	<u>403,911</u>

Net  
income/(expenditure) for  
the period includes:

	2016 £	2015 £
Operating lease rentals	715	1,280
Depreciation	6,721	7,377
(Gain)/loss on disposal of fixed assets	-	(56)
Staff restructuring costs	6,650	-
Fees payable to auditor for:		
- audit	2,100	2,100
- accountancy	1,400	1,315
- other services	<u>470</u>	<u>1,295</u>

## Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 8 Costs of other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
<b>Before and after school club</b>				
Purchases	493	-	493	232
Support staff costs	14,216	-	14,216	13,274
	<u>14,709</u>	<u>-</u>	<u>14,709</u>	<u>13,506</u>
<b>Nursery</b>				
Support staff costs	22,572	-	22,572	17,807
	<u>22,572</u>	<u>-</u>	<u>22,572</u>	<u>17,807</u>
	<u>37,281</u>	<u>-</u>	<u>37,281</u>	<u>31,313</u>

The cost of other trading activities was £37,281 (2015: £31,313) with all being unrestricted £37,281 (£31,313).

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 9 Charitable Activities

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£
<b>Direct costs – educational operations</b>				
Teaching and education support staff costs	-	230,994	230,994	230,196
Books, apparatus and stationery	321	8,521	8,842	6,628
Sports expenditure	-	8,221	8,221	6,954
Depreciation	-	2,367	2,367	2,935
Staff development	-	2,064	2,064	3,276
Other direct costs	-	6,066	6,066	3,230
Catering costs	11,180	16,774	27,954	24,592
Trip expenses	-	9,777	9,777	9,088
	11,501	284,784	296,285	286,899

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£
<b>Analysis of support costs</b>				
Support staff costs	-	50,206	50,206	35,102
Depreciation	-	4,354	4,354	4,442
Hire and maintenance	-	1,067	1,067	1,280
Rent, rates and water	-	2,146	2,146	1,919
Light & heat	-	3,171	3,171	3,697
Maintenance of premises and equipment	-	11,485	11,485	17,172
Insurance	-	4,313	4,313	9,070
Cleaning and refuse collection	-	6,131	6,131	838
Telephone	-	1,850	1,850	3,327
Postage and stationery	-	1,687	1,687	180
Governance costs - accountancy fees	-	1,870	1,870	2,610
Governance costs - audit fees	-	2,100	2,100	2,100
Legal and professional fees	-	2,609	2,609	1,952
Governance costs - other finance costs	-	-	-	10
Governance costs - finance cost def'd ben sch	-	4,000	4,000	2,000
<b>Total support costs</b>	-	96,989	96,989	85,699
<b>Total direct and support costs</b>	11,501	381,773	393,274	372,598

The cost of charitable activities was £393,274 (2015: £372,598) with unrestricted costs of £11,501 (2015: £8,425) and restricted costs of £381,773 (2015: £364,712).

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 10 Fund transfers

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
<b>Unrestricted funds</b>		
Transfer to the restricted income fund from the unrestricted fund to contribute towards the shortfall in trip expenditure not met by trip income	(237)	-
	<u>(237)</u>	<u>-</u>
	<b>Total 2016 £</b>	<b>Total 2015 £</b>
<b>Restricted funds</b>		
Transfer to the restricted fixed asset fund for capital assets purchased by the restricted GAG fund	-	(213)
Transfer to the restricted income fund from the unrestricted fund to contribute towards the shortfall in trip expenditure not met by trip income	237	-
	<u>237</u>	<u>(213)</u>
	<b>Total 2016 £</b>	<b>Total 2015 £</b>
<b>Restricted fixed asset funds</b>		
Transfer to the restricted fixed asset fund for capital assets purchased by the restricted GAG fund	-	213
Transfer from the DFE formula capital grant fund to the Fixed Assets used for Charitable Purposes fund for capital assets purchased	(3,457)	(9,679)
Transfer to the Fixed Assets used for Charitable Purposes fund from the DFE formula capital grant fund for capital assets purchased	3,457	9,679
	<u>-</u>	<u>213</u>



# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 11 Staff

### a. Staff costs

Staff costs during the period were:

	Total 2016 £	Total 2015 £
Wages and salaries	258,853	246,495
Social security costs	11,674	11,822
Employer contributions to pension plans	40,811	38,062
	<b>311,338</b>	<b>296,379</b>
Supply staff costs	-	-
Staff restructuring costs	6,650	-
	<b>317,988</b>	<b>296,379</b>

Staff restructuring costs comprise:

Severance payments	6,350	-
Other restructuring costs	300	-
	<b>6,650</b>	<b>-</b>

### b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £6,650 (2015: nil). Individually, the payments were: £6,350 termination payment and £300 of legal fees covered, all payments were made to one employee.

### c. Staff numbers

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

	2016 No.	2015 No.
Teachers	6	7
Administration and support	12	11
Nursery	2	2
	<b>20</b>	<b>20</b>

### d Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was nil (2015: nil).

### e Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £84,321 (2015: £74,666).

**Notes to the Financial Statements for the year ended 31 August 2016 (continued)****12 Related Party Transactions - Trustees' Remuneration and Expenses**

One or more trustees have been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

K Williamson (Principal and Governor):

- . Remuneration £40,000 - £44,999 (2015: £40,000 - £44,999)
- . Employer's pension contributions paid £0 - £4,999 (2015: £5,000 - £9,999)

R Aurora (Staff Governor):

- . Remuneration £0 - £4,999 (2015: £0 - £4,999)
- . Employer's pension contributions paid £0 - £4,999 (2015: £0 - £4,999)

V Rose (Staff Governor):

- . Remuneration £25,000 - £30,000 (2015: £nil)
- . Employer's pension contributions paid £0 - £4,999 (2015: nil)

J Mottram (Principal & Governor - resigned 31/8/15)

- . Remuneration £nil (2015: £25,000 - £29,999)
- . Employer's pension contributions paid £nil (2015: £nil)

During the period ended 31 August 2016, travel and subsistence expenses totalling £nil were reimbursed or paid directly to nil trustees (2015: £200 to 1 trustee).

**13 Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. It is not possible to quantify the cost of the insurance for the trustees and officers indemnity element for the period ended 31 August 2016 from the overall cost of the RPA scheme.

## Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 14 Tangible Fixed Assets

	Land and Buildings	Fixtures and fittings	Equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2015	416,967	27,459	9,323	453,749
Additions	-	11,340	2,107	13,447
Disposals	-	-	-	-
At 31 August 2016	<u>416,967</u>	<u>38,799</u>	<u>11,430</u>	<u>467,196</u>
<b>Depreciation</b>				
At 1 September 2015	11,954	4,979	7,467	24,400
Charged in year	3,336	2,247	1,138	6,721
Disposals	-	-	-	-
At 31 August 2016	<u>15,290</u>	<u>7,226</u>	<u>8,605</u>	<u>31,121</u>
<b>Net book values</b>				
At 31 August 2015	405,013	22,480	1,856	429,349
At 31 August 2016	<u>401,677</u>	<u>31,573</u>	<u>2,825</u>	<u>436,075</u>

## Additions

Included within fixtures and fittings additions is £9,990 for a canopy purchased using the Big Lottery Fund grant received in the year.

## Valuation

The leasehold buildings and the plant and machinery integral to the buildings were valued as at 31 August 2012 by DTZ, a company commissioned by the EFA. DTZ are independent of the charitable company. The basis of the valuation was the estimated rebuild cost. The governors are satisfied that the valuation closely matches the valuation on conversion.

The long leasehold property is held on a 125 year lease from The Great Corby Educational Foundation, which commenced on 1st February 2012.

## Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 15 Stock

	2016	2015
	£	£
Materials and consumables	50	50
	<u>50</u>	<u>50</u>

## 16 Debtors

	2016	2015
	£	£
Trade debtors	1,430	1,320
Other debtors	6,198	6,698
Prepayments and accrued income	7,748	12,230
	<u>15,376</u>	<u>20,248</u>

## 17 Creditors: Amounts Falling due within one year

	2016	2015
	£	£
Trade creditors	3,502	24,857
Other taxation and social security	4,253	5,377
Other creditors	4,617	3,818
Accruals and deferred income	17,453	26,054
	<u>29,825</u>	<u>60,106</u>

## Deferred income

	2016	2015
	£	£
Deferred income at 1 September 2015	11,789	10,362
Released from previous years	(11,789)	(10,362)
Resources deferred in the year	8,850	11,789
Deferred Income at 31 August 2016	<u>8,850</u>	<u>11,789</u>

Deferred income relates to SEN funding and Free school meals funding for the period to 31 March 2017.

**Great Corby School**  
**Notes to the Financial Statements for the year ended 31 August 2016**  
**(continued)**

Page 35

**18 Funds**

	Balance at 1 September 2015	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2016
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant (GAG)	119,455	346,421	(305,604)	-	160,272
Pupil Premium	-	13,260	(13,260)	-	-
Other DfE/EFA grants	5,167	26,236	(25,257)	-	6,146
Other government grants	-	4,801	(4,801)	-	-
Restricted school fund including trips	-	16,893	(17,130)	237	-
Pension reserve	(74,000)	-	(9,000)	(88,000)	(171,000)
	<b>50,622</b>	<b>407,611</b>	<b>(375,052)</b>	<b>(87,763)</b>	<b>(4,582)</b>
<b>Restricted fixed asset funds</b>					
Fixed assets used for charitable purposes	429,349	-	(6,721)	3,457	426,085
DfE/EFA capital grants	-	4,926	-	(3,457)	1,469
Capital expenditure from GAG	-	-	-	-	-
Big Lottery Fund Grant	-	9,990	-	-	9,990
	<b>429,349</b>	<b>14,916</b>	<b>(6,721)</b>	<b>-</b>	<b>437,544</b>
<b>Total restricted funds</b>	<b>479,971</b>	<b>422,527</b>	<b>(381,773)</b>	<b>(87,763)</b>	<b>432,962</b>
<b>Total unrestricted funds</b>	<b>39,411</b>	<b>62,214</b>	<b>(48,782)</b>	<b>(237)</b>	<b>52,606</b>
<b>Total funds</b>	<b>519,382</b>	<b>484,741</b>	<b>(430,555)</b>	<b>(88,000)</b>	<b>485,568</b>

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

**General Annual Grant (GAG) fund:** This represents the core funding for the educational activities of the school that has been provided to the academy via the Education Funding Agency (EFA). Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**Pupil premium fund:** This represents funding paid by the DfE to support disadvantaged students in their teaching and learning, with the aim of improving their attainment and closing the gap with more advantaged students

**Other DfE/EFA grants:** This represents PE and sports grants, Universal infant free school meals grant and rates relief grants and the expenditure on sporting activities, catering and rates.

**Defined benefit pension scheme deficit fund:** This represents the deficit on the Local Government Pension Scheme (LGPS) at the year end.

**Other government grants:** This represents Special Educational Needs funding and Pupil Premium payments from the local authority.

**Restricted School Funding including trips:** This includes trip income from parents and the expenditure on trips, donations from the PTA and expenditure for which the funds were raised and apprenticeship grants and their corresponding expenditure.

# Notes to the Financial Statements for the year ended 31 August 2016 (continued)

## 18 Funds (continued)

**DFE/EFA Capital grants:** This represents funding for capital purchases from the DFE/EFA.

**Fixed assets used for charitable purposes:** This represents the value and movements on Tangible Fixed Assets as shown in Note 14.

**Big lottery fund grant:** This represents the funding received in the year from the Big Lottery Fund used to purchase the canopy for the playground.

## 19 Analysis of Net Assets between Funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	-	-	436,075	436,075
Current assets	52,606	196,243	1,469	250,318
Current liabilities	-	(29,825)	-	(29,825)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(171,000)	-	(171,000)
<b>Total net assets</b>	<b>52,606</b>	<b>(4,582)</b>	<b>437,544</b>	<b>485,568</b>

## 20 Commitments under operating leases

### Operating Leases

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

	2016	2015
	£	£
Amounts due within one year	357	715
Amounts due between one and five years	-	357
Amounts due after five years	-	-
	<b>357</b>	<b>1,072</b>

## 21 Members' Liability

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

## Notes to the Financial Statements for the year ended 31 August 2016 (continued)

### 22 Pension and Similar Obligations

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

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

Contributions amounting to £4,617 (2015: £3,818) were payable to the schemes as at 31 August and are included within creditors, comprising TPS £2,916 (2015: £2,448) and LGPS £1,701 (2015: £1,369).

The total pension costs to the Charitable Company during the year ended 31 August 2016 and included in staff costs were £40,811 (2015: £38,062) comprising TPS £24,099 (2015: £19,602), LGPS £16,712 (2015: £14,469) including LGPS deficit recover payments of £2,775 (2015: £2,550). In addition, the Charitable Company incurred net interest costs of £3,000 (2015: £2,000) and administration costs of £1,000 (2015: nil) which are included in support costs.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### The Teachers' Pension Budgeting and Valuation Account

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.0%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Notes to the Financial Statements for the year ended 31 August 2016 (continued)****22 Pension and Similar Obligations (continued)****Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%).
- 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 year the employer contribution rate was 16.4%. This will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £24,099 (2015: £19,602).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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



# Great Corby School

## Notes to the Financial Statements for the year ended 31 August 2016

### (continued)

Page 39

#### 22 Pension and Similar Obligations (continued)

##### Local Government Pension Scheme

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

The total contribution made for the year ended 31 August 2016 was £22,523 (2015: £19,084), of which employer's contributions totalled £13,937 (2015: £11,920), deficit recovery payments were £2,775 (2015: £2,550) and employees' contributions totalled £5,811 (2015: £4,614). The deficit payment for the period to 31 March 2017 will be £3,000. The agreed contribution rates are 14.6% for employer contributions to 31 March 2017 and a contribution rate ranging between 5.5% and 12.5% for employees depending on level of pay.

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

Note from the actuarial report: The value of the assets is being reassessed formally as part of the 2016 actuarial valuation, the results of which will be incorporated into the 31 August 2017 accounting figures. The effect could be a significant change in the reported asset value in next years figures.

None of the fair values of assets shown in the following include any of the Charitable Company's own financial instruments or any property occupied by, or other assets used by, the Charitable Company.

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	2.40%	3.70%
Rate of increase for pensions in payment/inflation	2.00%	2.20%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	1.90%	2.20%

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

	At 31 August 2016	At 31 August 2015
<i>Longevity for current pensioners</i>		
Males	23.1	23.0
Females	25.7	25.6
<i>Longevity for future pensioners</i>		
Males	25.9	25.8
Females	28.9	28.8

**Great Corby School**  
**Notes to the Financial Statements for the year ended 31 August 2016**  
**(continued)**

Page 40

**22 Pension and Similar Obligations (continued)**

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

	Fair value at 31 August 2016	Fair value at 31 August 2015
	£	£
Equity instruments	70,000	60,000
Government bonds	27,000	21,000
Other bonds	10,000	8,000
Property	15,000	13,000
Cash/liquidity	4,000	3,000
Other	13,000	9,000
<b>Total market value of assets</b>	<b>139,000</b>	<b>114,000</b>

The actual return on scheme assets was £23,000 (2015: £4,000).

**Amounts recognised in the statement of financial activities**

	2016	2015
	£	£
Current service cost (net of employee contributions)	(5,000)	(4,000)
Net interest cost	(3,000)	(2,000)
Administration expenses	(1,000)	-
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
<b>Total operating charge</b>	<b>(9,000)</b>	<b>(6,000)</b>

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

	2016	2015
	£	£
<b>At 1 September</b>	<b>188,000</b>	<b>159,000</b>
Upon conversion	-	-
Current service cost	22,000	18,000
Interest cost	8,000	6,000
Employee contributions	6,000	5,000
Actuarial (gain)/loss	107,000	-
Benefits paid	(21,000)	-
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>At 31 August</b>	<b>310,000</b>	<b>188,000</b>

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

	2016	2015
	£	£
<b>At 1 September</b>	<b>114,000</b>	<b>91,000</b>
Interest income	5,000	4,000
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	19,000	-
Administration expenses	(1,000)	-
Employer contributions	17,000	14,000
Employee contributions	6,000	5,000
Benefits paid	(21,000)	-
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>At 31 August</b>	<b>139,000</b>	<b>114,000</b>

**Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

**23 Related Party Transactions**

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

Colourmedia Internet Limited - a company in which C Marshall (governor) is a director.

- The trust purchased website hosting services totalling nil (2015: £340) during the period. There were no amounts outstanding at 31 August 2016 (2015: £nil)
- The trust made the purchase at arms' length.

Additionally, several of the governors have children at the school and transactions such as payments for afterschool clubs and nursery fees took place, these transactions were at arms length. At the year end there were nil debtors due from governors (2015: £35) and no debts due from governors were written off during the year (2015: £20.50).

There were no other material related party transactions other than those with staff governors detailed in note 11, 12 & 13.

**24 General information**

The academy trust is a private company limited by guarantee, registered in England and Wales and an exempt charity. The address of the registered office is Great Corby School, Great Corby, Carlisle, CA4 8NE.

# Notes to the Financial Statements for the period ended 31 August 2016 (continued)

## 25 Explanation of transition to FRS 102

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

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

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

Reconciliation of total funds	Notes	1 September	31 August
		2014	2015
		£000	£000
Total funds under previous UK GAAP		465,491	519,382
Employee benefits accrual		-	-
Total funds reported under FRS 102		<u>465,491</u>	<u>519,382</u>
Reconciliation of net income/(expenditure)	Notes	31 August	
		2015	
		£000	
Net income/(expenditure) previously reported under UK GAAP		54,891	
Change in recognition of LGPS interest cost	A	(1,000)	
Employee benefits accrual		-	
Net movement in funds reported under FRS 102		<u>53,891</u>	

### A – Change in recognition of LGPS interest cost

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

	Under FRS 102	As Previously Reported	Change
Current service cost	(18,000)	(18,000)	-
Administration expenses	-	-	-
Net interest cost	(2,000)	(1,000)	(1,000)
<b>Change in pension cost</b>	<b>(20,000)</b>	<b>(19,000)</b>	<b>(1,000)</b>
Actuarial gain/(loss)	-	(1,000)	1,000
<b>Change in actuarial gain (loss)</b>	<b>-</b>	<b>(1,000)</b>	<b>1,000</b>