

Company Registration No. 08906809 (England and Wales)

EASTERSIDE ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017



EASTERSIDE ACADEMY

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EASTERSIDE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

R J Donnison (Resigned 23 November 2016)
C Drew
D Foster (Chair Person)
S Hunton
D Linacre (Accounting Officer)
J Oliver
Mrs R Parker (Resigned 7 October 2016)
J Reay
R Saber
C Thomas
Councillor M Carr
D W Elliott (Appointed 23 November 2016)
Dr D Best (Appointed 23 November 2016)
L R Harrison (Appointed 23 November 2016)

Members

D Foster
R Parker
J Reay
L James
R Saber

Senior management team

- Headteacher	D Linacre
- Deputy Headteacher	C Thomas
- School Business Manager	P Pennock
- Assistant Headteacher	S Hunton

Company registration number

08906809 (England and Wales)

Registered office

Erith Grove
Easterside
Middlesbrough
TS4 3RG

Independent auditor

Baldwins Audit Services Limited
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Bankers

Lloyds Bank plc
5th Floor
102 Grey Street
Newcastle upon Tyne
NE1 6AG

EASTERSIDE ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

EASTERSIDE ACADEMY

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period from 1st September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Middlesbrough, in the north east of England. It has a pupil capacity of 315 and had a roll of 268 in the school census on 19th May 2017 with an additional 52 part time nursery places.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. This document is available on the academy's website. The company was incorporated on 28th February 2014 and the date of conversion to an Academy Trust was 1st April 2014.

The governors act as the trustees for the charitable activities of Easterside Academy and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Easterside Academy.

Details of the governors who served throughout the period are included in the Reference and Administrative Details on page 1.

Members' liability

Every Member of the Academy Trust undertakes to contribute such amount as may be required (not exceeding £10) 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.

Trustees' indemnities

Every governor of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he/she is acquitted or in connection with any application in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust.

EASTERSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Method of recruitment and appointment or election of trustees

The Academy Trust has 5 Members, 3 of which are Governors and including the Chair of Governors. The Secretary of State has the right to appoint a Member and the Members have the right to appoint additional Members from the Governing Body.

No limit has been imposed on the number of Governors that may serve on the Governing Body although it should never be less than 3. At 31 August 2017, the Academy Trust had 11 Governors of which 1 was appointed by the Discovery Alliance, 2 were elected by parents, 2 were elected by the staff of the Academy and 2 were appointed by the local authority. The term of office for any Governor is 4 years and, subject to eligibility, Governors may be re-appointed or re-elected.

The Governors who served on the Governing Body from the 1st September 2016 to 31 August 2017 are listed in the reference and administrative details on page 3 and within the attached attendance sheets.

When recruiting and appointing or electing trustees, the Members may appoint up to 3 Community Governors and they may appoint Staff Governors through such process as they may determine. The total number of Governors (including the Head) who are employees of the Academy Trust should not exceed one third of the total number of Governors.

The Parent Governors are elected by Parents of registered pupils at the Academy. A Parent Governor must be a Parent of a registered pupil at the Academy at the time when he or she is elected. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a Parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he or she prefers, by having his or her ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body will take such steps as are reasonably practical to secure that every person who is known to them to be a Parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he or she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of Parents standing for election is less than the number of vacancies.

The Governors may appoint Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Head).

Policies and procedures adopted for the induction and training of trustees

The Governing Body has designated the Head Teacher as well as the Chair Person as the Governor/s responsible for the induction and training of Governors. All new Governors have received an induction from the Head Teacher and a pack of training materials including the schools Code of Conduct, DfE guide for School Governors, previous minutes of meetings, the Articles of Association and Funding Agreement and the School Improvement Plan. Governor training is listed as a standing item on agendas for full Governing Body meetings. New Governors are provided with a mentor during their first term of office.

EASTERSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure

The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Team and Middle Leaders (see attached Staffing Structure diagram). The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governing Body are responsible for setting the vision and aims of the Academy, adopting and monitoring the annual school improvement plan and budget and making major strategic decisions about the future of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team consisting of the Head Teacher, Deputy Head Teacher, an Assistant Head Teacher, 2 TLR's and the Academy's Business Manager operate as the academy executive and provide regular reports to the Governing Body. The Senior Leadership team is responsible for the operation of the school and adhering to policies and procedures determined by the governing body/directors or the Head Teacher. The Head Teacher has delegated spending authority. The Governing Body has in place a delegation policy showing the limits at which expenditure can be authorised at each level of management within the academy. Some of the Head Teacher's delegation authority will be delivered to members of the Leadership Team and Subject/Area Leaders within limits allocated.

The Head Teacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

Trustee's at Easterside Academy are non-paid. The arrangements for setting the pay and remuneration of the academy's key management personnel, in this case the senior leadership team is done following the guidance in the Academy's Pay Policy written by Kier HR and adopted by the Academy's Governing Body. The pay policy is intended to ensure that all employees paid from within the Academy budget are fairly and consistently treated in relation to pay and pay related issues. This policy adheres to the requirements of:

- The School Teachers' Pay and Conditions document currently in use;
- Conditions of Service for School Teachers' in England and Wales (Burgundy book, August 2000);
- The National Joint Council for Local Government Services National Agreement of Pay and Conditions of Service (Green book);
- The School Staffing (England) Regulations 2009; and
- The Education(School Teachers' Appraisal)(England)Regulations 2012

The pay policy is read and carried out in conjunction with the Academy's Improvement Plan, the Academy Appraisal policy and the Teachers' Standards.

The Governing Body has a dedicated Pay Committee to carry out determinations of pay in accordance with this pay policy. The Committee has fully delegated powers and has been established in accordance with the appropriate Governance Regulations.

Related parties and other connected charities and organisations

The Discovery Alliance

Easterside Academy is part of the Discovery Alliance, an Umbrella Trust established by five neighbouring primary academies and one secondary academy. The Discovery Alliance Umbrella Trust is a company registered in England and Wales. The Discovery Alliance was created to facilitate a closer working relationship between the six schools in order to raise standards, improve the educational experience, promote consistency and improve transition. The Head Teachers of the six schools together with special advisors form the Raising Achievement Panel (RAP) which meets regularly to further the objectives of the Alliance through collaborative working and sharing best practice. Unlike a Multi Academy Trust, the Umbrella Trust and the six schools therein remain autonomous to ensure the best educational outcomes for each, whilst still being able to promote efficiency and effectiveness through a collaborative approach.

EASTERSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives and activities

Objects and aims

The principal objective of the academy is to establish, maintain, manage and develop an inclusive, primary school offering a broad educational curriculum to 3 - 11 year olds.

The principle objectives of the academy are:

Achievement –

- a) to improve the attainment of all pupils within the school
- b) to promote the individual achievement of all through a creative curriculum
 - by emphasis on the teaching of core subjects
 - by providing a broad, balanced curriculum
 - by continuous improvement of attainment as measured by SATs results
 - by encouraging and supporting all pupils to achieve their personal best
 - by the use of individual pupil target setting
 - by providing opportunities for pupils to become independent learners
 - by support for pupils with special educational needs, EAL, and more able and talented pupils
 - by continuously reviewing and enhancing curriculum provision, particularly through ICT, the arts, sport and enrichment activities
- c) to improve the quality of teaching
 - by enhancing and developing the skills of the staff through in service training and feed back
 - by encouraging innovation
 - by providing opportunities for the staff to develop and share their individual skills and interests
 - by ensuring that teachers and other adults in the school assume a leadership role by consistently providing a good role model for staff and pupils
 - by using performance management as a tool to secure continuous improvement
 - by developing the role of support staff

Community-

- a) to develop and promote the school as a community
 - by ensuring that the values of the school are put into practice in all aspects of the school's activities
 - by ensuring full and effective consultation with pupils, staff, parents and governors, as appropriate
 - by ensuring that there are effective systems of communication for pupils, staff, and the school and to use it as a resource
 - by increasing parental involvement in their children's learning and achievements
 - by utilising the school buildings and facilities for the benefit of the community
 - by actively contributing to community initiatives
 - by increasing cooperation with partner organisations

Communication-

- a) to improve home school relationships
 - by producing regular, high quality newsletters that celebrate success and offer information
 - by regular contact with parents individually or collectively
 - by offering appropriate support and challenge to promote the well being of pupils between pupils
 - by improving the quality of rewards and certificates for pupils
 - by continuously improving communication between all staff; staff and governors; Head Teacher and governors; staff and pupils
 - by pursuing links with a range of partners
 - by providing information to the local media to promote the achievements of the school to the wider community of Easterside and Middlesbrough

EASTERSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives, strategies and activities

The main objectives for the period to 31 August 2017 were incorporated into the 2016 - 2017 School Improvement Plan and grouped under 4 headings: Pupil Outcomes; teaching and learning; behaviour and safety; leadership and management. Progress was reported to the Governing Body via a standing item on the Governing Body agenda.

The strategic approach to Academy improvement has been to identify clear, achievable objectives linked to our aims and public accountabilities. Our leadership structure identifies those people who are accountable for achieving the outcomes in different areas of the school. We allocate responsibilities and resources as appropriate, monitor progress and intervene to combat underperformance. All staff are involved in the writing of the School Improvement Plan and subject/area leaders write, monitor and evaluate their own action plans annually. All teachers participate in annual performance management reviews.

- To increase the % at ARE and 'greater depth' across the school.

During this period there has been a continued focus on improving outcomes across the whole school but in particular to improve the percentage at 'Age Related Expectations' (ARE) and 'Greater Depth' from Year 1 to Year 6.

The Senior Leadership Team (SLT) have led on this area of the School Improvement Plan with half termly pupil progress meetings with teams and robust monitoring and tracking procedures in place. The SLT have challenged under-performance and have not been afraid to ask difficult questions, ensuring everything is being done to support good progress for all children. Regular monitoring and moderation across Key Stage One and Two, both within our own school and other schools within the Discovery Alliance and Local Authority was also key to ensuring our expectations were pitched high enough and assessment judgements were correct. As a school we planned continued professional development for all teaching and learning staff on 'greater depth' as well as specific professional development for individual teaching staff. This was important in ensuring that the quality of teaching and learning over time remained at least good in all areas, and in many cases, more than good in order to accelerate progress.

Outcomes at the end of the year were very positive, especially at the end of Key Stage Two where the percentage at 'Expected' or more was higher than the National Average in all areas. Across the school the percentage at ARE and Greater Depth also improved from 2016 in all year groups, for most of the core areas – Reading, Writing and Maths. Nearly all percentages were above 65% at expected and most of them above 70%. This is an area that we will continue to improve upon next year.

- To continue to increase outcomes at KS1 particularly in relation to phonic screening.

Following on from the dip in phonics in 2016, an action plan led by the Key Stage One Lead was immediately put into place. This included reorganising phonic groupings and deploying an experienced HLTA down into the year 1 classes to ensure we had secured the expected 'level' by the end of the summer term in 2016. As a research rich school, the SLT also identified that possible streaming of Year 1's between two classes could have also played a part (EEF research). As a result during this year, Year 1's were in mixed ability groups within each of the two classes, as well as within mixed ability groups within the class. This was to ensure there were good role models for all pupils to see. Early Reading training was put in place for all Early Years and KS1 staff and through monitoring exercises some less experienced TAs received further in house and external training. Follow up observations took place to ensure feedback had been acted upon. Teaching of phonics across school is excellent and this can be evidenced through a range of monitoring exercises across the year including our Ofsted visit in February 2017. Tighter tracking procedures were also put in place for 2016 – 17 that were regularly monitored by SLT through pupil progress meetings half termly.

EASTERSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

At the end of the year the year 1 phonic outcomes were excellent with 84% achieving the expected standard (not including Base children). 92% of Year 2 children also passed. This puts our outcomes back in line with our historical data for phonics.

- To further improve attendance to achieve our target of 96% and those achieving 100% attendance each term.

The Academy continued to employ Education Welfare Ltd for another year to monitor and address any attendance or punctuality issues in partnership with the Head Teacher and the school's attendance team. Further initiatives were introduced for parents and pupils to increase awareness of what was acceptable attendance and what wasn't, as well as further incentives for pupils to achieve 100% attendance termly. In the Spring half term attendance stood at 96.0%, however the second half of the year, and in particular the Summer Term was hit with holidays. This impacted significantly on the attendance across the school bringing it down to 95.1% at the end of the year. Although this was a slight dip from 2015, we have continued to improve and celebrate attendance in other areas: Reception attendance continued to improve; The number of pupils achieving 100% attendance has again increased. This included 100% attendance for the year which was 32 children. At the end of 2013 only 4 children received 100% attendance for the year. There was also a significant increase in 100% attendance for the Summer Term rising from 72 to 92 children.

- To continue development of new assessment procedures; measuring progress & attainment across school, including tracking the progress of Foundation Subjects.

During this period we continued to embed our assessment and tracking procedures for Core subjects as well as strengthening and developing those for the Foundation subjects.

At Easterside Academy we use Target Tracker to monitor and track pupil progress as well as to set challenging targets and identify those pupils that are working at age related expectations, above or below. This information is used by teachers and senior leaders on a regular basis, supporting discussions in pupil progress meetings and enabling leaders to ask challenging questions if needed. The use of Target Tracker is now fully embedded at Easterside Academy and facilitates a way in which teachers can record their professional judgements.

Target Tracker is now being used to track the progress and attainment of the majority of our Foundation subjects across the year. Class teachers were given time each half term / term to support bringing their Foundation tracking data up-to-date and subject leaders then used this information at the end of the year to measure progress and attainment for their subject, in each year group. This has informed subject school improvement planning and professional development for 2017 – 18.

Public benefit

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit.

EASTERSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

Achievements and performance

The Academy's number of roll continues to grow, with a total number of 327 pupils on roll at the end of August 2017. This includes 54 part time nursery places.

This was the second year in which the pupils sat the new end of Key Stage tests at KS1 and 2, following the introduction of a new, more challenging curriculum in September 2014 and the abolishment of 'Levels'.

End of Key Stage attainment for 2017 has been very successful with both Key Stage 1 and 2's outcomes either in line with the National Average, or in most cases above.

The monitoring of Teaching and Learning is an important measure of our Achievements and Standards, this has included Lesson Observations, Reflective Enquiry Walks and various Planning and Work Scrutiny activities. These are carried out within a planned and fixed schedule and enabled both Senior and Middle Leaders to target appropriate intervention. To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Senior Leadership Team and validated by the Local Authority. Subject Leaders also carry out lesson observations and learning walks as part of the monitoring and self-evaluating process. Lesson observations this year have shown that all teaching and learning is at least good and in many cases outstanding over time. Outstanding practice continues to be used effectively in order to drive up the standards of all teaching and learning throughout the school.

This year the Academy has been awarded the following Quality Marks:

- The Leading in Parental Partnership Award (LPPA)
- Basic Skills (Whole School)
- Basic Skills (Early Years)

During the year the Academy successfully completed further development of the building in order to support the increase in its capacity and pupils on roll and improve teaching and learning spaces. This has included improving a large intervention space at KS2; building a secure outdoor area for Key Stage One; creating an outdoor shelter in the Early Years outdoor area and moving our Care Team into a new, larger space in which they can carry out their work with pupils and families.

Continued professional development for staff has been very successful this year with one member of staff completing their second year of the Developing Future Leaders Course ran by the LA and Middlesbrough Teaching School Alliance, whilst another member of staff has completed their first year. Two further members of staff have gone onto the 'Targeted Leadership Programme' as well as a TLR coming the 'Teaching Leaders' course run by Ambition School Leadership.

The Academy continues to strengthen its close links with the other four schools within the Discovery Alliance. This has included regular network meetings for Early Years, Maths and English Leads, as well as other key areas of the curriculum.

EASTERSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators

EYFS

Good Level of Development (GLD):

	2013	2014	2015	2016	2017
Good Level of Development (GLD)	33%	55%	62%	61%	71%

Phonics Screening

Year 1

2013	2014	2015	2016	2017
69% (including HNB) 77% (Excluding HNB)	70% (including HNB) 81% (Excluding HNB)	81% (including HNB) 87% (Excluding HNB)	49% (including HNB) 55% (Excluding HNB)	74% (including HNB) 84% (Excluding HNB)

Year 2

2014	2015	2016	2017
64% (including HNB) 100% (Excluding HNB)	50% (including HNB) 100% (Excluding HNB)	67% (including HNB) 80% (Excluding HNB)	84% (including HNB) 92% (Excluding HNB)

*(HNB - High Needs Base)

KS1 – Historical Data

Overall % children achieving expected standard

Year	Maths	Writing	Reading	Combined
2016	71% (including HNB) 74% (excluding HNB)	71% (including HNB) 74% (excluding HNB)	78% (including HNB) 81% (excluding HNB)	66% (including HNB) 69% (excluding HNB)
2017	67% (including HNB) 74% (excluding HNB)	65% (including HNB) 72% (excluding HNB)	70% (including HNB) 77% (excluding HNB)	65% (including HNB) 72% (excluding HNB)

EASTERSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Overall % children achieving greater depth

Year	Maths	Writing	Reading	Combined
2016	19%(including HNB) %(excluding HNB)	12.5% (including HNB) %(excluding HNB)	25%(including HNB) %(excluding HNB)	12.5%(including HNB) %(excluding HNB)
2017	20%(including HNB) 21% (excluding HNB)	12%(including HNB) 15%(excluding HNB)	14%(including HNB) 15%(excluding HNB)	7%(including HNB) 7% (excluding HNB)

KS2 – Historical Data

Overall % children achieving expected standard or above

Year	Maths	Writing	Reading	GPS	Combined
2016	83%	70%	67%	73%	60%
2017	85%	80%	85%	83%	70%

Overall % children achieving greater depth

Year	Maths	Writing	Reading	GPS	Combined
2016	17%	10%	7%	10%	3%
2017	18%	10%	23%	38%	5%

Progress Measures from End KS1 to End KS2

	Maths	Writing	Reading
2016	3.2	0.9	2.2
2017	3.2	1.6	4.8

Attendance

2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
94.9%	94.5%	95.7%	94.7%	95.45%	95.11%

EASTERSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

Most of the academy's income is received from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ending 31 August 2017 and the associated expenditure are shown in the attached Year End Audited Accounts.

During the period from 1 September 2016 until 31 August 2017 total expenditure, excluding depreciation, of £1,628,616 was covered by the recurrent grant funding from the ESFA together with other incoming resources. The outturn balance, excluding depreciation, at 31 August 2017 by the Academy was a negative £17,215. This balance is budgeted to be largely utilised for the educational benefit of pupils on roll at the Academy. As there is no longer any substantial grant for capital projects, money has to be 'reserved' for major projects as specified in the attached Outturn Plan. This is to support the increase in pupils on roll and ensuring the Academy's building is able to facilitate its capacity.

At 31 August 2017 the net book value of fixed assets was £2,420,326. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The buildings and other assets were transferred to the Academy upon conversion. The land is leased from Middlesbrough Local Authority for 125 years on a peppercorn rent of £0 per annum. Land and buildings were professionally valued on 1 April 2014 at £2,451,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

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

Key financial policies reviewed during the period 1 September 2016 until 31 August 2017 include: Statement of Governors' Responsibilities; Statement of Internal Control and The Academy's Financial Procedures which lays out the framework for financial management, including financial responsibilities of Trustees, Head Teacher, School Business Manager, budget holders and other staff, as well as delegated authority for spending. Other policies are reviewed and updated regularly.

Trustees have adopted a Responsible Officer Policy and have appointed Mr Brendan Fox from Kier to undertake a programme of internal checks on financial controls. Trustees received termly reports from the Responsible Officer which contained no matters of significance.

Reserves policy

The governors review the reserves levels of the academy annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The educational obligations that the academy has on a day to day basis are funded from its budget plan, if there are any restricted reserves these are held and only used for these purposes.

The governors ensure that the academy has sufficient working capital to cover any delays which may occur between spending and receipt of any grants due and will be able to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds held less the amount held in fixed assets and restricted funds) is £34,260.

EASTERSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

CAPITAL

Easterside Academy has created reserves from their annual GAG funding. During the period 2016-2017 the academy managed to add to its Capital premises fund to enable the purchase of the 3G sports surface. Currently, the DfE provides minimal funding in the way of Devolved Formula Capital Grant. The Academy has sort advice from experts with regard to applying for a Capital Maintenance Grant. The academy has been informed via the Capita's Property Survey carried out on behalf of the DfEs that it is not eligible for a Grant, as its site and building is in a very good state of repair.

The Governors of Easterside Academy create capital expenditure from its own SBS.

- The Governors In consultation with the HT and SBM propose a capital schedule to identify the need to replace assets and the related sums required.
- In a scenario where the academy requires to save over a period of rolling financial years; funds would be transferred to a separate bank account; at such a time to ensure that it is clear that to do so, would not create a deficit cash flow situation. Following the Government guidelines in relation to Academy bank accounts in order to ensure cash flow does not indicate a deficit.
- Spend of the said capital reserve fund should only occur as agreed budgeted spend, which is approved by the Governors as part of the budget process.
- Capital spend is part of its Development Plan's & strategic long-term aims and improvements.

REVENUE

Easterside Academy holds contingency reserves from their annual GAG funding or other income. The academy has a specific account where the reserve is held.

The Business Manager, in conjunction with the Head Teacher, is responsible for ensuring compliance with Easterside Academy's Policies and Procedures.

The policy of the Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

Taking into account the nature of the academy's income streams, the governors are of the view that the reserves at this level are sufficient to cover its working capital needs.

Taking into account the nature of the academy's income streams, the governors are of the view that the reserves at this level are sufficient to cover its working capital needs.

Investment policy and powers

The policy is reviewed by the Finance and Staffing Committee. The Trust will regularly monitor cash flow and account balances to ensure financial commitments can be met. The Academy's current policy is to only invest funds in risk free and immediately accessible deposit accounts.

The academy regularly reviews the level of funds which are not immediately required as working capital and would only invest this on the UK money market in a treasury deposit account with a High Street institution to maximise interest. The academy will not invest funds in overseas financial institutions.

EASTERSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Principal risks and uncertainties

The Trustees 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, and its finances.

The Trustees have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition a review of all financial risks is undertaken on a regular basis.

The Academy has a formal risk management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risks the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis by the Responsible Officer and Governing Body.

The principal risks and uncertainties facing the academy currently are listed in a complex action plan. The topics and areas from this Risk Register are discussed at each Governing Body meeting.

The Governing Body relate the national, regional and local risks facing education and its establishments in relation to funding in particular the proposed changes with regard to the proposed:

- National Funding Formula,
- The compliance of Health & Safety/ Safeguarding
- Information Technology , changes and challenges
- GDPR new guidelines and regulations time and money involved in its implementation

Plans for future periods

The Academy has a school improvement plan (SIP) which sets out its core objectives for the forthcoming academic year under the following themes: Teaching and learning; behaviour and safety; attainment and progress; leadership and management. The SIP includes a 3 year financial plan.

The future plans for the Academy include the following objectives:

- Continuing to improve outcomes for pupils and in particular raise the % working at ARE and 'Greater Depth'. This includes for Foundation Subjects.
- Strengthen the partnership within the Discovery Alliance.
- Continue to improve outdoor provision for teaching and learning, including sports facilities.
- Increase / improve use of IT in the classroom so that pupils' skills to enhance their learning is developed and more widely used across a range of subjects.
- Continuing to develop and improve our links with parents and parental engagement.
- Close the Attendance gap between EA and National (96.1%) and improve punctuality across the school.
- Continue to improve quality at all levels of school leadership in order to support consistently high quality teaching, raise attainment and accelerate progress.
- Improve and develop the building/teaching and learning spaces and provision in order to support rising pupil numbers.

EASTERSIDE ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Auditor

The governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the governors have confirmed that they have taken all the steps they ought to have taken as governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

A resolution proposing that Baldwins Audit Services Limited be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 22/11/17 and signed on its behalf by:

.....
J Reay

EASTERSIDE ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

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

The governing body has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Easterside Academy and the Secretary of State for Education. She is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. Governors have carried out an annual skills audit in order to identify strengths and areas of development. This has been taken into consideration when writing the SIP; identifying CPD as well as appointing further governors. The full governing body has formally met six times during the period from 1st September 2016 to 31st August 2017.

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

EASTERSIDE MEETING ATTENDANCE – 2016/2017 ACADEMIC YEAR

Full Governing Body Meetings

The full governing met formally on six occasions (21 September 2016, 23 November 2016, 1 February 2017, 15 March 2017, 26 April 2017 and 14 June 2017) during the academic year. Attendance at these meetings was as follows:-

Trustees	Meetings attended	Out of possible
R J Donnison (Resigned 23 November 2016)		
C Drew	5	6
D Foster (Chair Person)	4	6
S Hunton	6	6
D Linacre (Accounting Officer)	6	6
J Oliver	1	6
Mrs R Parker (Resigned 7 October 2016)		
J Reay	4	6
R Saber	4	6
C Thomas	5	6
Councillor M Carr	2	6
D W Elliott (Appointed 23 November 2016)	4	4
Dr D Best (Appointed 23 November 2016)	3	4
L R Harrison (Appointed 23 November 2016)	2	4

There were no governor resignations within the 2016/17 academic year.

EASTERSIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Finance Committee's purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. The Finance committee also carry out the role of the audit committee.

Finance and Resources Committee meetings

The Finance and Resources Committee met on three occasions (19 October 2016, 1 March 2017 and 24 May 2017) during the academic year.

Attendance at these meetings was as follows:-

Trustees	Meetings attended	Out of possible
D Foster (Chair Person)	3	3
D Linacre (Accounting Officer)	3	3
J Reay	1	3
R Saber	1	3
C Thomas	2	3
Councillor M Carr	3	3
L R Harrison (Appointed 23 November 2016)	2	2

Review of value for money

As accounting officer the Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received. The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of 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 applying the four basic principles of best value:

Challenge Compare

Is the school's performance high enough?

Why and how is the service provided?

Do we still need it?

Can it be delivered differently?

What do parents want?

How does the school's pupil performance and financial performance compare with all schools?

How does it compare with Middlesbrough schools?

How does it compare with other similar schools?

Consult Compete

How does the school seek the views of stake holders about the services the school provides? How does the school secure efficient and effective services?

Are services of appropriate quality, economic?

EASTERSIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2017**

The academy does this by the following:

Compete by applying the principles of best value when making decisions about:

- The allocations of resources, to best promote the mission statement, aims and values of our school.
- The targeting of resources to best improve standards and the quality of provision.
- The use of resources to best support the various learning needs of all pupils, staff, parents and governors.

Compare with other/similar schools using data provided by the LA and the Government, e.g. Benchmarking, Raise online, quality of teaching and learning, levels of expenditure.

Challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. Setting annual pupil achievement targets, extended service provision.

Consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, by means of questionnaires and verbal feedback.

This applies in particular to:

- Staffing
- Quality of teaching and learning
- Use of resources
- Learners' welfare and emotional well-being
- Suitability of premises
- Procurement
- Health and safety

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control is in place in Easterside Academy for the period between 1 September 2016 and 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The governing body 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 governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period between 1 September 2016 and 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

The risk and control framework

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

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

EASTERSIDE ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Board of Trustees have appointed Mr B Fox as internal auditor from Kier, along with Baldwins Audit Services Limited (accountants) as our external auditors.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis the internal auditor reports to the Board of Trustees through the Finance Committee, on the operation of systems of control and on the discharge of the board's financial responsibilities.

The board of Trustees can confirm that the internal auditor has delivered his schedule of work as planned and as a result is of the overall opinion that Easterside Academy is operating an acceptable internal control environment, but there are a number of improvements that could increase its consistency and effectiveness.

This includes the following points; Finance reports have been submitted to governors on a regular basis during 2016/17. It is recommended that finance reports are produced and presented to the head teacher and budget holders monthly and to the governors at least termly.

The financial procedures document could contain more detail regarding procedures for income, expenditure and reconciliation. It is recommended that guidance for SAGE50 procedures be included.

Access rights in SAGE 50 are not being used to full potential to ensure adequate separation of duties. It is recommended that the access rights are reviewed as to whether separation of duties can be enhanced on the Sage 50 database.

Review of effectiveness

As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control supported by the Academy's Business Manager Mrs P Pennock. During the period in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- A review from the ESFA
- the financial management and governance self-assessment process;
- 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 the internal control by the Finance Committee and a plan to address weaknesses (if relevant) and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 22/11/17 and signed on its behalf by:


D Linacre
Accounting Officer

J Reay



EASTERSIDE ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Easterside Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



D Linacre
Accounting Officer

22/11/17.....

EASTERSIDE ACADEMY

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

The trustees (who also act as governors for Easterside Academy and are also the directors of Easterside Academy for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 22/11/17 and signed on its behalf by:

J Reay



EASTERSIDE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EASTERSIDE ACADEMY

Opinion

We have audited the accounts of Easterside Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 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; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

EASTERSIDE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EASTERSIDE ACADEMY (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

EASTERSIDE ACADEMY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EASTERSIDE ACADEMY (CONTINUED)

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Baldwin

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services Limited

23/11/17
.....

Chartered Accountants
Statutory Auditor

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

EASTERSIDE ACADEMY

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

In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Easterside Academy during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Easterside Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Easterside Academy's funding agreement with the Secretary of State for Education dated 27 March 2014 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

EASTERSIDE ACADEMY

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

The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance report
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

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 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Baldwin

Reporting Accountant

Baldwins Audit Services Limited

Dated: 23/11/17

EASTERSIDE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	3	-	9,900	14,918	24,818	7,085
Charitable activities:						
- Funding for educational operations	4	22,612	1,638,142	-	1,660,754	1,617,552
Other trading activities	5	16,384	-	-	16,384	11,052
Investments	6	363	-	-	363	454
Total income and endowments		39,359	1,648,042	14,918	1,702,319	1,636,143
Expenditure on:						
Raising funds	7	14,356	-	-	14,356	7,419
Charitable activities:						
- Educational operations	8	20,310	1,669,950	156,195	1,846,455	1,696,329
Total expenditure		34,666	1,669,950	156,195	1,860,811	1,703,748
Net income/(expenditure)		4,693	(21,908)	(141,277)	(158,492)	(67,605)
Transfers between funds		(77,459)	(78,459)	155,919	1	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	369,000	-	369,000	(421,000)
Net movement in funds		(72,766)	268,633	14,642	210,509	(488,605)
Reconciliation of funds						
Total funds brought forward		107,026	(571,092)	2,404,836	1,940,770	2,429,375
Total funds carried forward		34,260	(302,459)	2,419,478	2,151,279	1,940,770

EASTERSIDE ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2016 £
Income and endowments from:					
Donations and capital grants	3	-	-	7,085	7,085
Charitable activities:					
- Funding for educational operations	4	25,298	1,592,254	-	1,617,552
Other trading activities	5	11,052	-	-	11,052
Investments	6	454	-	-	454
Total income and endowments		36,804	1,592,254	7,085	1,636,143
Expenditure on:					
Raising funds	7	7,419	-	-	7,419
Charitable activities:					
- Educational operations	8	25,298	1,526,079	144,952	1,696,329
Total expenditure	7	32,717	1,526,079	144,952	1,703,748
Net income/(expenditure)		4,087	66,175	(137,867)	(67,605)
Transfers between funds		-	(69,367)	69,367	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	18	-	(421,000)	-	(421,000)
Net movement in funds		4,087	(424,192)	(68,500)	(488,605)
Reconciliation of funds					
Total funds brought forward		102,939	(146,900)	2,473,336	2,429,375
Total funds carried forward		107,026	(571,092)	2,404,836	1,940,770

EASTERSIDE ACADEMY

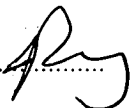
BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	12		2,420,326		2,404,836
Current assets					
Debtors	13	119,969		79,091	
Cash at bank and in hand		183,536		256,079	
		<u>303,505</u>		<u>335,170</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(170,552)		(104,236)	
Net current assets			132,953		230,934
Net assets excluding pension liability			2,553,279		2,635,770
Defined benefit pension liability	18		(402,000)		(695,000)
Net assets			<u>2,151,279</u>		<u>1,940,770</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			2,419,478		2,404,836
- Restricted income funds			99,541		123,908
- Pension reserve			(402,000)		(695,000)
Total restricted funds			<u>2,117,019</u>		<u>1,833,744</u>
Unrestricted income funds	16		34,260		107,026
Total funds			<u>2,151,279</u>		<u>1,940,770</u>

The accounts set out on pages 27 to 48 were approved by the board of trustees and authorised for issue on 24.11.17 and are signed on its behalf by:

J Reay



Company Number 08906809

EASTERSIDE ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by operating activities	19		83,861		80,455
Cash flows from investing activities					
Dividends, interest and rents from investments		363		454	
Capital grants from DfE and ESFA		7,218		7,085	
Capital funding from sponsors and others		7,700		-	
Payments to acquire tangible fixed assets		(172,685)		(76,453)	
Proceeds from sales of tangible fixed assets		1,000		1	
			(156,404)		(68,913)
Change in cash and cash equivalents in the reporting period			(72,543)		11,542
Cash and cash equivalents at 1 September 2016			256,079		244,537
Cash and cash equivalents at 31 August 2017			183,536		256,079

EASTERSIDE ACADEMY

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

1 Accounting policies

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

1.1 Basis of preparation

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

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts 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 accounts.

The reported share of the LGPS deficit has a significant impact on our restricted funds, however we draw your attention to the cash reserves held by the academy as well as the balances held in unrestricted and restricted general reserves.

1.3 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 receivable

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

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.

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the 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'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require 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 basis over its expected useful life, as follows:

Land and buildings	5% straight line
Computer equipment	50% straight line
Fixtures, fittings & equipment	25% straight line

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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

1.6 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.

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 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 18, 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 are 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.

1.11 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 the Education and Skills Funding Agency/Department for Education or other funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note note36, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	7,218	7,218	7,085
Other donations	-	17,600	17,600	-
	-	24,818	24,818	7,085

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,269,857	1,269,857	1,235,924
Other DfE / ESFA grants	-	254,873	254,873	238,308
	-	1,524,730	1,524,730	1,474,232
Other government grants				
Local authority grants	-	113,412	113,412	118,022
Other funds				
Catering income	18,572	-	18,572	19,898
Other incoming resources	4,040	-	4,040	5,400
	22,612	-	22,612	25,298
Total funding	22,612	1,638,142	1,660,754	1,617,552

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Catering income	1,738	-	1,738	1,380
Trips	3,020	-	3,020	1,391
Other income	11,626	-	11,626	8,281
	16,384	-	16,384	11,052

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	363	-	363	454

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	6,840	-	7,516	14,356	7,419
Academy's educational operations					
- Direct costs	1,014,696	-	102,290	1,116,986	1,074,759
- Allocated support costs	253,238	250,275	225,956	729,469	621,570
	<u>1,274,774</u>	<u>250,275</u>	<u>335,762</u>	<u>1,860,811</u>	<u>1,703,748</u>

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	4,500	4,500
- Other services	3,327	5,810
Operating lease rentals	3,464	5,294
Depreciation of tangible fixed assets	155,771	144,952
Loss on disposal of fixed assets	424	-
Net interest on defined benefit pension liability	13,000	8,000

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	-	1,116,986	1,116,986	1,074,759
Support costs - educational operations	20,310	709,159	729,469	621,570
	<u>20,310</u>	<u>1,826,145</u>	<u>1,846,455</u>	<u>1,696,329</u>

	2017 £	2016 £
Analysis of support costs		
Support staff costs	253,238	198,334
Depreciation and amortisation	156,195	144,952
Technology costs	4,435	1,830
Premises costs	75,848	79,457
Other support costs	170,142	146,558
Governance costs	69,611	50,439
	<u>729,469</u>	<u>621,570</u>

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

	2017 £	2016 £
Wages and salaries	975,523	936,976
Social security costs	76,375	64,152
Operating costs of defined benefit pension schemes	210,677	168,380
Staff costs	1,262,575	1,169,508
Supply staff costs	988	10,445
Staff development and other staff costs	11,211	10,311
Total staff expenditure	1,274,774	1,190,264

Staff numbers

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

	2017 Number	2016 Number
Teachers	32	32
Administration and support	11	11
Management	6	6
	49	49

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	1	-

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 £345,714 (2016: £215,112).

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

10 Trustees' remuneration and expenses

One or more of the trustees has 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, and not in respect of their services as trustees.

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

D Linacre (headteacher)	
Remuneration	£60,001 - £65,000 (2016: £55,001 - £60,000)
Employer's pension contributions	£10,001 - £15,000 (2016: £5,001 - £10,000)
C Thomas (deputy headteacher)	
Remuneration	£50,001 - £55,000 (2016: £50,001 - £55,000)
Employer's pension contributions	£5,001 - £10,000 (2016: £5,001 - £10,000)
S Hunton (staff governor and trustee)	
Remuneration	£45,001 - £50,000 (2016: £45,001 - £50,000)
Employer's pension contributions	£5,001 - £10,000 (2016: £5,001 - £10,000)

Other related party transactions involving the trustees are set out within the related parties note.

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £81 (2016: £509).

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2016	2,623,349	20,153	78,670	2,722,172
Additions	123,874	33,807	15,004	172,685
Disposals	-	-	(3,417)	(3,417)
At 31 August 2017	2,747,223	53,960	90,257	2,891,440
Depreciation				
At 1 September 2016	273,089	10,382	33,865	317,336
On disposals	-	-	(1,993)	(1,993)
Charge for the year	120,124	16,377	19,270	155,771
At 31 August 2017	393,213	26,759	51,142	471,114
Net book value				
At 31 August 2017	2,354,010	27,201	39,115	2,420,326
At 31 August 2016	2,350,260	9,771	44,805	2,404,836

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

(Continued)

Land and buildings were valued using the Depreciation Replacement Cost Method on 29 November 2013 by Martin Catley MRICS on behalf of Mouchel.

13 Debtors

2017
£

2016
£

VAT recoverable	44,304	14,094
Other debtors	5,778	-
Prepayments and accrued income	69,887	64,997
	<u>119,969</u>	<u>79,091</u>

14 Creditors: amounts falling due within one year

2017
£

2016
£

Trade creditors	75,777	43,344
Other taxation and social security	19,379	18,537
Other creditors	19,429	18,953
Accruals and deferred income	55,967	23,402
	<u>170,552</u>	<u>104,236</u>

15 Deferred income

2017
£

2016
£

Deferred income is included within:
Creditors due within one year

19,247	16,898
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Deferred income at 1 September 2016
Released from previous years
Amounts deferred in the year

16,898	16,250
(16,898)	(16,250)
19,247	16,898

Deferred income at 31 August 2017

<u>19,247</u>	<u>16,898</u>
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Deferred income is the Universal Infants Free School Meals funding for the 2017/18 academic year, received in advance.

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	123,908	1,269,857	(1,215,765)	(78,459)	99,541
Other DfE / ESFA grants	-	254,873	(254,873)	-	-
Other government grants	-	113,412	(113,412)	-	-
Other restricted funds	-	9,900	(9,900)	-	-
	<u>123,908</u>	<u>1,648,042</u>	<u>(1,593,950)</u>	<u>(78,459)</u>	<u>99,541</u>
Funds excluding pensions	123,908	1,648,042	(1,593,950)	(78,459)	99,541
Pension reserve	(695,000)	-	(76,000)	369,000	(402,000)
	<u>(571,092)</u>	<u>1,648,042</u>	<u>(1,669,950)</u>	<u>290,541</u>	<u>(302,459)</u>
Restricted fixed asset funds					
Transferred on conversion	2,177,911	-	(110,050)	-	2,067,861
DfE / ESFA capital grants	20,034	7,218	(6,813)	-	20,439
Capital expenditure from GAG and unrestricted funds	206,891	-	(39,262)	152,399	320,028
Other capital grants	-	7,700	(70)	3,520	11,150
	<u>2,404,836</u>	<u>14,918</u>	<u>(156,195)</u>	<u>155,919</u>	<u>2,419,478</u>
Total restricted funds	<u>1,833,744</u>	<u>1,662,960</u>	<u>(1,826,145)</u>	<u>446,460</u>	<u>2,117,019</u>
Unrestricted funds					
General funds	<u>107,026</u>	<u>39,359</u>	<u>(34,666)</u>	<u>(77,459)</u>	<u>34,260</u>
Total funds	<u>1,940,770</u>	<u>1,702,319</u>	<u>(1,860,811)</u>	<u>369,001</u>	<u>2,151,279</u>

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ESFA grants includes pupil premium funding targeted at disadvantaged pupils, universal infant free school meals and the PE and sport grant.

Other government grants includes early years funding for three and four year old children and funding for pupils with special educational needs.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants consist of the devolved capital grant which has been spent during the year.

The transfer between restricted general and restricted fixed asset funds represent the amount of GAG funding expended on assets capitalised during the period.

The inherited fixed asset fund reflects the fixed assets acquired from Middlesbrough Council on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds may used for any purpose, at the discretion of the trustees, within the objects of the academy trust.

The academy's restricted general and unrestricted funds were £133,801 as at 31 August 2017.

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	83,308	1,235,924	(1,125,957)	(69,367)	123,908
Other DfE / ESFA grants	-	238,308	(238,308)	-	-
Other government grants	10,792	118,022	(128,814)	-	-
	<u>94,100</u>	<u>1,592,254</u>	<u>(1,493,079)</u>	<u>(69,367)</u>	<u>123,908</u>
Funds excluding pensions	(241,000)	-	(33,000)	(421,000)	(695,000)
	<u>(146,900)</u>	<u>1,592,254</u>	<u>(1,526,079)</u>	<u>(490,367)</u>	<u>(571,092)</u>
Restricted fixed asset funds					
Transferred on conversion	2,295,096	-	(117,185)	-	2,177,911
DfE / ESFA capital grants	17,601	7,085	(4,652)	-	20,034
Capital expenditure from GAG	160,639	-	(23,115)	69,367	206,891
	<u>2,473,336</u>	<u>7,085</u>	<u>(144,952)</u>	<u>69,367</u>	<u>2,404,836</u>
Total restricted funds	<u>2,326,436</u>	<u>1,599,339</u>	<u>(1,671,031)</u>	<u>(421,000)</u>	<u>1,833,744</u>
Unrestricted funds					
General funds	<u>102,939</u>	<u>36,804</u>	<u>(32,717)</u>	<u>-</u>	<u>107,026</u>
Total funds	<u>2,429,375</u>	<u>1,636,143</u>	<u>(1,703,748)</u>	<u>(421,000)</u>	<u>1,940,770</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	2,420,326	2,420,326
Current assets	34,260	269,245	-	303,505
Creditors falling due within one year	-	(169,704)	(848)	(170,552)
Defined benefit pension liability	-	(402,000)	-	(402,000)
	<u>34,260</u>	<u>(302,459)</u>	<u>2,419,478</u>	<u>2,151,279</u>

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	2,404,836	2,404,836
Current assets	107,026	228,144	-	335,170
Creditors falling due within one year	-	(104,236)	-	(104,236)
Defined benefit pension liability	-	(695,000)	-	(695,000)
	<u>107,026</u>	<u>(571,092)</u>	<u>2,404,836</u>	<u>1,940,770</u>

18 Pensions 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, which is managed by Middlesbrough Borough Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £18,420 (2016: £17,955) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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.

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

(Continued)

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)
- 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%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £82,862 (2016: £80,884).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.6% for employers and 5.5 - 12.5% for employees.

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

Total contributions made	2017 £	2016 £
Employer's contributions	65,000	62,000
Employees' contributions	25,000	24,000
Total contributions	90,000	86,000
Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	3.0	3.4
Rate of increase for pensions in payment	2.0	1.9
Discount rate	2.5	2.0
Inflation assumption (CPI)	2.0	1.9

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

(Continued)

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

	2017 Years	2016 Years
Retiring today		
- Males	22.8	23.1
- Females	24.9	25.6
Retiring in 20 years		
- Males	25.0	25.3
- Females	27.20	28.0

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017 £	2016 £
Discount rate + 0.1%	1,324,000	1,506,000
Discount rate - 0.1%	1,387,000	1,577,000
Mortality assumption + 1 year	1,314,000	1,493,000
Mortality assumption - 1 year	1,396,000	1,590,000
CPI rate + 0.1%	1,375,000	1,563,000
CPI rate - 0.1%	1,336,000	1,520,000

The academy trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	745,913	686,665
Government bonds	-	6,440
Corporate bonds	943	6,440
Cash	120,704	46,690
Property	60,352	58,765
Other assets	15,088	-
Total market value of assets	943,000	805,000
Actual return on scheme assets - gain/(loss)	20,000	110,000

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities	2017 £	2016 £
Current service cost	128,000	87,000
Interest income	(18,000)	(26,000)
Interest cost	31,000	34,000
Total operating charge	141,000	95,000
Changes in the present value of defined benefit obligations	2017 £	2016 £
Obligations at 1 September 2016	1,531,000	853,000
Current service cost	128,000	87,000
Interest cost	31,000	34,000
Employee contributions	25,000	24,000
Actuarial (gain)/loss	(367,000)	505,000
Benefits paid	(3,000)	(3,000)
At 31 August 2017	1,345,000	1,500,000
Changes in the fair value of the academy trust's share of scheme assets	2017 £	2016 £
Assets at 1 September 2016	836,000	612,000
Interest income	18,000	26,000
Actuarial gain	2,000	84,000
Employer contributions	65,000	62,000
Employee contributions	25,000	24,000
Benefits paid	(3,000)	(3,000)
At 31 August 2017	943,000	805,000

EASTERSIDE ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

19 Reconciliation of net expenditure to net cash flows from operating activities

	2017 £	2016 £
Net expenditure for the reporting period	(158,491)	(67,605)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(14,918)	(7,085)
Investment income receivable	(363)	(454)
Defined benefit pension costs less contributions payable	63,000	25,000
Defined benefit pension net finance cost	13,000	8,000
Depreciation of tangible fixed assets	155,771	144,952
Loss on disposal of fixed assets	424	-
(Increase)/decrease in debtors	(40,878)	52,658
Increase/(decrease) in creditors	66,316	(75,011)
Net cash provided by operating activities	83,861	80,455

20 Related party transactions

Owing to the nature of the academy trust's operations 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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

Stepping Up Together - a project operated by D Foster (trustee):

- The trust purchased services from Stepping Up Together totalling £800 (2016: £nil) during the year. At 31 August 2017, the academy owed £nil to the company (2016: £nil).
- The trust made the purchase at arms' length following a competitive tendering exercise in accordance with its financial regulations, which D Foster neither participated in, nor influenced.
- In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.