

Company Registration Number: 08919795 (England and Wales)

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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



GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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GREEN LANE PRIMARY ACADEMY LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, GOVERNORS AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

J Berry
SP Hameed
J Lucas (resigned 31 August 2017)
MV Pagan
J Walsh

Governors

MV Pagan, Chair¹
H Ellis, Vice Chair^{1,2}
J Lucas, Co-Head Teacher (resigned 31 August 2017)^{1,2,3}
J Walsh, Co-Head Teacher^{1,2,3}
C Armitage²
J Berry¹
K Bowe^{1,2}
LV Donner¹
L Etherington^{2,3}
SP Hameed²
HE McLean^{1,2,3}
AJW Pear¹
N R Rao (appointed 20 March 2017)
SK Riaz (resigned 25 November 2016)²

¹ Members of the Finance, Audit and Resources Committee

² Members of the Raising Achievement and Pupil Welfare

³ Staff Governors

Company registered number

08919795

Company name

Green Lane Primary Academy Limited

Principal and registered office

Green Lane
Middlesbrough
Cleveland
TS5 7RU

Senior leadership team

J Lucas, Co-Head Teacher (resigned 31 August 2017)
J Walsh, Co-Head Teacher
H McLean, Deputy Head Teacher
J Thackstone, Deputy Head Teacher
J Hall, Assistant Head Teacher
C French, Assistant Head Teacher
L Airey, Senior Administrator
H Bone, School Business Manager

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

Advisers (continued)

Independent auditors

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

Bankers

Lloyds Bank
83 -85 Linthorpe road
Middlesbrough
TS1 5BU

Solicitors

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

GREEN LANE PRIMARY ACADEMY LIMITED
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

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

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Middlesbrough. It has a pupil capacity of 630 plus 78 nursery places and had a roll of 706 in the school census on 1 October 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Academy trust.

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

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

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

Members' liability

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

Governors' indemnities

The Academy has purchased insurance to protect Governors from claims arising against negligent acts, errors or omissions occurring whilst on Academy business. Further details are provided in note 10.

Method of recruitment and appointment or election of Governors

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

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)

Method of recruitment and appointment or election of Governors (continued)

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

Policies and procedures adopted for the induction and training of Governors

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

Organisational structure

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

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

The Governing Body consists of 13 Governors and includes the two Co-Head Teachers, two staff Governors, three parent Governors, four member appointed Governors and two co-opted members. The Senior Leadership Team consists of the Co-Head Teachers, Deputy Head Teachers, Assistant Head Teachers, School Business Manager and Senior Administrator. The TLR Team includes all teaching staff who hold a responsibility for leading an area of work within the academy. They work closely with the Senior Leadership Team to develop the strategic direction of their areas of responsibility as well as the day to day management of these areas and year group teams.

Pay policy for key management personnel

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

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

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

Related Parties and other Connected Charities and Organisations

The academy is a strategic partner of the Middlesbrough Schools' Teaching Alliance, which is part of the Our Children First Multi Academy Trust.

J Thackstone and H Bone, who are senior leaders of the academy, are governors of Our Children First Multi Academy Trust.

Further details are stated in note 21 to the Financial Statements.

OBJECTIVES AND ACTIVITIES

Objects and aims

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

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

The main objectives of the academy for the year ending 31 August 2018 are summarised below:

- 1) To improve standards in Reading and Maths. In particular:
 - to improve the % of children achieving age expectation at KS1
 - to improve the % of children achieving age expectation at KS2
- 2) To develop Oracy skills of all pupils in order that:
 - pupils are able to access the curriculum and develop deep understanding in their learning
 - pupils are able to talk with confidence in a range of situations and participate fully
 - all pupils make maximum progress and those requiring intervention are identified in order that gaps are narrowed

Objectives, strategies and activities

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

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

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

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

OBJECTIVES AND ACTIVITIES (CONTINUED)

Objectives, strategies and activities (continued)

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

Specifically in the 16/17 Academic year our objectives were:

1. To improve standards in Reading. In particular:
 - to improve the % of children achieving age expectation at KS1
 - to improve the % of children achieving age expectation at KS2
2. To aim for high quality targeted and focussed interventions ensuring that:
 - the gap is narrowed between all major identified groups
 - individual children of all abilities are kept on track to reach their targets
 - those children just below age expectation are given extra support to accelerate progress
 - to ensure maximum progress for all children and to increase percentages in each year group achieving age expectation
3. To ensure that planning, teaching and assessment in all year groups is clearly focussed on improving outcomes and that pupils make at least expected progress; thus ensuring that outcomes at KS1 and KS2 are at least in-line with similar schools nationally.

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

Public benefit

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

STRATEGIC REPORT

Achievements and performance

At KS2 attainment is above National in Writing and Grammar Punctuation and Spelling (GPS) and in-line with national in Reading and Maths. Pupils achieving at the higher level is above National in all subjects.

At KS1 attainment is broadly in line with national benchmarks at Expected and above National for performance at Greater Depth. This demonstrates good progress from below national averages at EYFS for this cohort.

Outcomes in EYFS are below national averages across most areas.

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

Achievements and performance (continued)

EYFS	GLD
LA	63.1%
NATIONAL	70.7%
SCHOOL	60.7%

PHONICS	PHONICS Y1	PHONICS Y2
LA	76.1%	56.1%
NATIONAL	81.2%	61.6%
SCHOOL	84.3%	31.6%

KS1 >=EXP	READING	WRITING	MATHS	RWM
LA	67.7%	61.6%	69.5%	56.2%
NATIONAL	75.5%	68.2%	75.1%	63.7%
SCHOOL	69.7%	61.8%	74.2%	53.9%

KS1 GDS	READING	WRITING	MATHS	RWM
LA	18.6%	13.1%	15.5%	8.2%
NATIONAL	25.2%	15.6%	20.5%	11.0%
SCHOOL	29.2%	19.1%	28.1%	13.5%

KS2 >= EXP	READING	WRITING	MATHS	GPS	RWM
LA	69.3%	74.6%	75.1%	76.5%	60.4%
NATIONAL	71.5%	76.3%	74.9%	76.9%	61.1%
SCHOOL	74.4%	88.9%	72.2%	85.6%	63.3%

KS2 HIGH	READING	WRITING	MATHS	GPS	RWM
LA	19.3%	17.1%	22.6%	26.8%	6.9%
NATIONAL	24.5%	17.7%	22.6%	30.9%	8.6%
SCHOOL	31.1%	35.6%	28.9%	36.0%	17.0%

KS1-KS2 PROGRESS	READING	WRITING	MATHS
LA	0.2	0.5	1.0
SCHOOL	1.07	3.46	0.40

% 0 OR GREATER PROGRESS	READING	WRITING	MATHS
LA	53.9%	56.9%	58.9%
NATIONAL	50.9%	51.9%	50.3%
SCHOOL	62.2%	78.8%	50.0%

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

Ofsted 2017

The school was inspected on 30.1.17 and the outcome was a Good judgement.

Inspectors commented that pupils make strong progress in their learning and the curriculum provides a rich range of experiences and opportunities.

Progress from the last inspection was recognised. Inspectors felt that school leaders had a clear view of the school's strengths through a meticulous system of checking teachers' work and closely monitoring pupils' learning and progress.

Safeguarding was seen to be effective and records of high quality.

Inspectors identified next steps to include:

- 1) Ensuring the school's new approach to assessment and tracking was fully embedded
- 2) Teachers use this information to accelerate the progress of more pupils in Reading and Maths.

Going concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2015) and FRS102, such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2017, total expenditure of £3,278,000 exceeded recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £(113,000).

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

At 31 August 2017 the net book value of fixed assets was £6,980,000 and movements in tangible fixed assets are shown in note 11 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £645,000 recognised on the balance sheet.

The Academy held fund balances at 31 August 2017 of £6,637,000 comprising of £6,536,000 of restricted funds and £101,000 of unrestricted funds.

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

Reserves policy

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

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

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

The academy's current level of free reserves are in surplus by £101,000. In addition there is GAG carry forward available of £193,000 and therefore overall free reserves are considered to be above the level of reserves required for the ongoing needs of the academy.

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

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

Principal risks and uncertainties

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

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

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

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

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

PLANS FOR FUTURE PERIODS

Future developments

- 1) To improve standards in Reading and Maths. In particular:
 - to improve the % of children achieving age expectation at KS1
 - to improve the % of children achieving age expectation at KS2
- 2) To develop Oracy skills of all pupils in order that:
 - pupils are able to access the curriculum and develop deep understanding in their learning
 - pupils are able to talk with confidence in a range of situations and participate fully
 - all pupils make maximum progress and those requiring intervention are identified in order that gaps are narrowed

Disclosure of information to auditors

Insofar as the Governors are aware:

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

The Governors' Report was approved by order of the Board of Governors, as the company directors, on 4 December 2017 and signed on its behalf by:



MV Pagan, Chair
Chair of Governors

GREEN LANE PRIMARY ACADEMY LIMITED
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GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

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

Governor	Meetings attended	Out of a possible
MV Pagan, Chair	3	3
H Ellis, Vice Chair	3	3
J Lucas, Co-Head Teacher (resigned 31 August 2017)	3	3
J Walsh, Co-Head Teacher	3	3
C Armitage	3	3
J Berry	3	3
K Bowe	3	3
LV Donner	2	3
L Etherington	3	3
SP Hameed	3	3
HE McLean	3	3
AJW Pear	3	3
N R Rao (appointed 20 March 2017)	2	2
SK Riaz (resigned 24 November 2016)	0	0

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

From September 2017, the governing body will meet in its entirety for each meeting, thus enabling all governors to be involved in the whole remit as outlined in the Terms of Reference.

A structure for meetings has been developed to ensure coverage of all areas of responsibility in-line with the Terms of Reference and Financial Handbook.

The Finance, Audit and Resources Committee is a sub-committee of the main board of governors. Its purpose is to consider the academy's funding and expenditure and approve expenditure within its delegated limits. The committee will make recommendations to the full governing body where necessary.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
J Berry	3	3
K Bowe	1	3
L Donner, Chair of Committee	3	3
H Ellis	2	3
J Lucas	3	3
HE McLean	3	3
MV Pagan	2	3
AJW Pear	1	3
J Walsh	3	3

Review of Value for Money

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

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

Financial Governance and Monitoring

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

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

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

Purchasing

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

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

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

We are constantly investigating other possible areas of income streams.

Financial Control Measures

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

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

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

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GOVERNANCE STATEMENT (continued)

Financial Control Measures (continued)

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

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

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- regular reviews by the Finance, Audit and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

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

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

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

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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework (continued)

On a termly basis, the auditors report to the Board of Governors through the Finance, Audit and Resources Committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

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

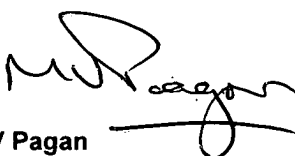
Review of Effectiveness

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit and Resource Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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


MV Pagan
Chair of Governors


J Walsh
Accounting Officer

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Green Lane Primary Academy Limited I have considered my responsibility to notify the academy trust Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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



J Walsh
Accounting Officer

Date: 4 December 2017

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Governors on 4 December 2017 and signed on its behalf by:



MV Pagan
Chair of Governors

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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

Opinion

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

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

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

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

Other information

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

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the Statement of Governors' responsibilities, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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

Auditor's responsibilities for the audit of the financial statements

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

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



Kevin Shotton BA FCA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants
and Statutory Auditors

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT
4 December 2017

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 14 September 2016 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 Green Lane Primary Academy Limited during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Green Lane Primary Academy Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Green Lane Primary Academy Limited and the 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 Green Lane Primary Academy Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Green Lane Primary Academy Limited's funding agreement with the Secretary of State for Education dated 20 March 2014, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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

The work undertaken to draw to our conclusion includes:

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

Conclusion

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



Clive Owen LLP

Reporting Accountant

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

4 December 2017

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
INCOME FROM:						
Donations and capital grants	2	3	3	103	109	24
Charitable activities	4	-	2,757	-	2,757	2,841
Other trading activities	3	229	-	-	229	218
Investments		-	-	-	-	1
TOTAL INCOME		<u>232</u>	<u>2,760</u>	<u>103</u>	<u>3,095</u>	<u>3,084</u>
EXPENDITURE ON:						
Charitable activities		<u>227</u>	<u>2,878</u>	<u>173</u>	<u>3,278</u>	<u>3,076</u>
TOTAL EXPENDITURE	6	<u>227</u>	<u>2,878</u>	<u>173</u>	<u>3,278</u>	<u>3,076</u>
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	14	5 (2)	(118) (50)	(70) 52	(183) -	8 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		3	(168)	(18)	(183)	8
Actuarial gains/(losses) on defined benefit pension schemes	19	-	552	-	552	(604)
NET MOVEMENT IN FUNDS		<u>3</u>	<u>384</u>	<u>(18)</u>	<u>369</u>	<u>(596)</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		98	(828)	6,998	6,268	6,864
TOTAL FUNDS CARRIED FORWARD		<u>101</u>	<u>(444)</u>	<u>6,980</u>	<u>6,637</u>	<u>6,268</u>

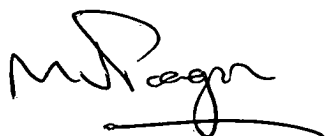
The underlying surplus for the year excluding fixed asset funds, movements on pension and transfers was £11,000 (2016: £206,000).

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08919795

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£000	2017 £000	2016 £000
FIXED ASSETS				
Tangible assets	11		6,980	6,994
CURRENT ASSETS				
Debtors	12	280		230
Cash at bank and in hand		385		436
		<u>665</u>		<u>666</u>
CREDITORS: amounts falling due within one year	13	(363)		(319)
NET CURRENT ASSETS			<u>302</u>	<u>347</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,282</u>	<u>7,341</u>
Defined benefit pension scheme liability	19		(645)	(1,073)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>6,637</u></u>	<u><u>6,268</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	14	201		245
Restricted fixed asset funds	14	6,980		6,998
		<u></u>		<u></u>
Restricted income funds excluding pension liability		7,181		7,243
Pension reserve		(645)		(1,073)
		<u></u>		<u></u>
Total restricted income funds			6,536	6,170
Unrestricted income funds	14		101	98
			<u></u>	<u></u>
TOTAL FUNDS			<u><u>6,637</u></u>	<u><u>6,268</u></u>

The financial statements on pages 22 to 44 were approved by the Governors, and authorised for issue, on 4 December 2017 and are signed on their behalf, by:



MV Pagan, Chair
Chair of Governors

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by operating activities	16	5	223
Cash flows from investing activities:			
Dividends, interest and rents from investments		-	1
Purchase of tangible fixed assets		(159)	(418)
Capital grants from DfE/ESFA		101	11
Capital funding received from sponsors and others		2	6
Net cash used in investing activities		(56)	(400)
Change in cash and cash equivalents in the year		(51)	(177)
Cash and cash equivalents brought forward		436	613
Cash and cash equivalents carried forward		385	436

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

1.2 FUND ACCOUNTING

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

1.3 INCOME

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 GOING CONCERN

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

1.6 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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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

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

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.8 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.9 TAXATION

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

1.10 DEBTORS

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

1.11 CASH AT BANK AND IN HAND

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

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 LIABILITIES AND PROVISIONS

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

1.13 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.14 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

GREEN LANE PRIMARY ACADEMY LIMITED
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 March 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Depreciation – Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £173,000.

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

GREEN LANE PRIMARY ACADEMY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Donations	3	3	2	8	13
Capital Grants	-	-	101	101	11
	<u>3</u>	<u>3</u>	<u>103</u>	<u>109</u>	<u>24</u>
<i>Total 2016</i>	<u>-</u>	<u>7</u>	<u>17</u>	<u>24</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Sundry income	77	-	77	81
Lettings	5	-	5	6
Uniforms	5	-	5	8
School trips	47	-	47	42
Staff absence insurance	19	-	19	11
Catering	76	-	76	70
	<u>229</u>	<u>-</u>	<u>229</u>	<u>218</u>
<i>Total 2016</i>	<u>218</u>	<u>-</u>	<u>218</u>	

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FOR THE YEAR ENDED 31 AUGUST 2017**

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,277	2,277	2,353
Other DfE/ESFA Grants	-	276	276	280
	-	2,553	2,553	2,633
Other government grants				
SEN	-	30	30	43
Early Years Funding	-	167	167	164
Other Government Grants	-	7	7	1
	-	204	204	208
	-	2,757	2,757	2,841
<i>Total 2016</i>	-	2,841	2,841	

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

5. CHARITABLE ACTIVITIES

	2017 £000	2016 £000
DIRECT COSTS		
Wages and salaries	1,696	1,598
National insurance	152	119
Pension cost	365	290
Educational Supplies	78	108
Staff development	1	8
Other direct costs	29	31
	<hr/> 2,321	<hr/> 2,154
SUPPORT COSTS		
Wages and salaries	142	138
National insurance	7	7
Pension costs	20	19
Depreciation	173	157
Net interest cost on pension scheme	21	14
Technology costs	98	100
Maintenance of premises and equipment	26	21
Cleaning	56	52
Rates	18	20
Energy	30	30
Insurance	20	20
Security	3	1
Transport	5	5
Catering	212	213
Occupancy Costs	11	12
Bank interest and charges	2	1
Other Support costs	75	76
Governance costs	38	36
	<hr/> 957	<hr/> 922
	<hr/>	<hr/>
	<hr/> 3,278	<hr/> 3,076
	<hr/>	<hr/>

GREEN LANE PRIMARY ACADEMY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. EXPENDITURE

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Academy's educational operations:					
Direct costs	2,213	-	108	2,321	2,154
Support costs	169	306	482	957	922
	<u>2,382</u>	<u>306</u>	<u>590</u>	<u>3,278</u>	<u>3,076</u>
<i>Total 2016</i>	<u>2,171</u>	<u>285</u>	<u>620</u>	<u>3,076</u>	

In 2017, of the total expenditure, £227,000 (2016 - £212,000) was to unrestricted funds, £2,878,000 (2016 - £2,707,000) was to restricted funds and £173,000 (2016 - £157,000) was to restricted fixed asset funds.

There were no individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the Academy
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets:		
- owned by the charity	173	157
Operating lease rentals	42	48
Auditors' remuneration	6	5
Auditors' remuneration non audit	<u>5</u>	<u>4</u>

GREEN LANE PRIMARY ACADEMY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. STAFF COSTS

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	1,794	1,715
Social security costs	159	126
Operating costs of defined benefit pension schemes	385	309
	<u>2,338</u>	<u>2,150</u>
Supply teacher costs	44	21
	<u>2,382</u>	<u>2,171</u>

Included within the operating costs of defined benefit pension schemes is: £103,000 (2016: £44,000) in respect of the movements in the LGPS pension deficit.

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

	2017 No.	2016 No.
Teachers	32	30
Administration and support	51	51
Management	8	8
	<u>91</u>	<u>89</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	1	0

The key management personnel of the Academy comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Academy was £469,000 (2016: £477,000).

GREEN LANE PRIMARY ACADEMY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. GOVERNORS' REMUNERATION AND EXPENSES

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

		2017 £000	2016 £000
J Walsh, Co-Head Teacher	Remuneration	70-75	65-70
	Pension contributions paid	10-15	10-15
J Lucas, Co-Head Teacher	Remuneration	40-45	40-45
	Pension contributions paid	5-10	5-10
HE McLean, Deputy Head Teacher	Remuneration	55-60	50-55
	Pension contributions paid	5-10	5-10
L Etherington	Remuneration	10-15	10-15
	Pension contributions paid	0-5	0-5

During the year, no Governors received any benefits in kind (2016 - £NIL).

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

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £798 (2016 - £798).

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

11. TANGIBLE FIXED ASSETS

	Capital work in progress £000	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
COST					
At 1 September 2016	22	6,951	253	98	7,324
Additions	127	-	18	14	159
Transfer between classes	(23)	-	23	-	-
At 31 August 2017	126	6,951	294	112	7,483
DEPRECIATION					
At 1 September 2016	-	238	40	52	330
Charge for the year	-	101	41	31	173
At 31 August 2017	-	339	81	83	503
NET BOOK VALUE					
At 31 August 2017	126	6,612	213	29	6,980
At 31 August 2016	22	6,713	213	46	6,994

12. DEBTORS

	2017 £000	2016 £000
Trade debtors	4	1
Other debtors	1	1
VAT recoverable	76	76
Prepayments and accrued income	199	152
	280	230

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £000	2016 £000
Trade creditors	45	90
Other taxation and social security	40	40
Other creditors	37	37
Accruals and deferred income	241	152
	363	319

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FOR THE YEAR ENDED 31 AUGUST 2017**

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

	2017 £000	2016 £000
DEFERRED INCOME		
Deferred income at 1 September 2016	71	73
Resources deferred during the year	65	71
Amounts released from previous years	(71)	(73)
	<u>65</u>	<u>71</u>
Deferred income at 31 August 2017	<u>65</u>	<u>71</u>

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

14. STATEMENT OF FUNDS

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
UNRESTRICTED FUNDS						
Unrestricted funds	98	232	(227)	(2)	-	101
	<u>98</u>	<u>232</u>	<u>(227)</u>	<u>(2)</u>	<u>-</u>	<u>101</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	242	2,277	(2,276)	(50)	-	193
Other DfE/ESFA Grants	-	276	(271)	-	-	5
Other government grants	-	204	(204)	-	-	-
Restricted donations	3	3	(3)	-	-	3
Pension reserve	(1,073)	-	(124)	-	552	(645)
	<u>(828)</u>	<u>2,760</u>	<u>(2,878)</u>	<u>(50)</u>	<u>552</u>	<u>(444)</u>
RESTRICTED FIXED ASSET FUNDS						
Inherited on conversion	6,488	-	(98)	-	-	6,390
DfE/ESFA capital grants	239	18	(14)	-	-	243
Capital expenditure from GAG	256	-	(58)	50	-	248
Donations	6	2	(1)	-	-	7
Start Up grant	6	-	(1)	-	-	5
Unrestricted fixed assets	3	-	(1)	2	-	4
LA Capital Grant	-	83	-	-	-	83
	<u>6,998</u>	<u>103</u>	<u>(173)</u>	<u>52</u>	<u>-</u>	<u>6,980</u>
Total restricted funds	<u>6,170</u>	<u>2,863</u>	<u>(3,051)</u>	<u>2</u>	<u>552</u>	<u>6,536</u>
Total of funds	<u>6,268</u>	<u>3,095</u>	<u>(3,278)</u>	<u>-</u>	<u>552</u>	<u>6,637</u>

GREEN LANE PRIMARY ACADEMY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

14. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2016 £000
UNRESTRICTED FUNDS						
Unrestricted funds	94	219	(212)	(3)	-	98
	<u>94</u>	<u>219</u>	<u>(212)</u>	<u>(3)</u>	<u>-</u>	<u>98</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	232	2,353	(2,155)	(188)	-	242
Academy Conversion Grant	8	-	(2)	(6)	-	-
Other DfE/ESFA Grants	-	280	(280)	-	-	-
Other government grants	-	208	(208)	-	-	-
Restricted donations	-	7	(4)	-	-	3
Pension reserve	(411)	-	(58)	-	(604)	(1,073)
	<u>(171)</u>	<u>2,848</u>	<u>(2,707)</u>	<u>(194)</u>	<u>(604)</u>	<u>(828)</u>
RESTRICTED FIXED ASSET FUNDS						
Inherited on conversion	6,592	-	(104)	-	-	6,488
DfE/ESFA capital grants	236	11	(8)	-	-	239
Capital expenditure from GAG	113	-	(45)	188	-	256
Donations	-	6	-	-	-	6
Academy Conversion Grant	-	-	-	6	-	6
Unrestricted fixed assets	-	-	-	3	-	3
	<u>6,941</u>	<u>17</u>	<u>(157)</u>	<u>197</u>	<u>-</u>	<u>6,998</u>
Total restricted funds	<u>6,770</u>	<u>2,865</u>	<u>(2,864)</u>	<u>3</u>	<u>(604)</u>	<u>6,170</u>
Total of funds	<u>6,864</u>	<u>3,084</u>	<u>(3,076)</u>	<u>-</u>	<u>(604)</u>	<u>6,268</u>

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

14. STATEMENT OF FUNDS (continued)

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

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

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

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

Other government grants relate to SEN and Early Years Funding.

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

The pensions reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 19.

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

A transfer of £50,000 (2016: £188,000) was made from General Annual Grant restricted funds to the restricted fixed asset funds.

A transfer of £2,000 has been made to Unrestricted fixed assets restricted fixed asset fund from unrestricted funds to reflect those items included within fixed assets which have been purchased using Unrestricted monies.

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	6,980	6,980
Current assets	101	564	-	665
Creditors due within one year	-	(363)	-	(363)
Provisions for liabilities and charges	-	(645)	-	(645)
	<u>101</u>	<u>(444)</u>	<u>6,980</u>	<u>6,637</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016 £000	2016 £000	2016 £000	2016 £000
Tangible fixed assets	-	-	6,994	6,994
Current assets	98	564	4	666
Creditors due within one year	-	(319)	-	(319)
Provisions for liabilities and charges	-	(1,073)	-	(1,073)
	<u>98</u>	<u>(828)</u>	<u>6,998</u>	<u>6,268</u>

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

	2017 £000	2016 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(183)	8
Adjustment for:		
Depreciation charges	173	157
Investment income	-	(1)
Increase in debtors	(50)	(55)
Increase in creditors	44	73
Capital grants from DfE and other capital income	(103)	(17)
Defined benefit pension scheme finance cost	124	58
Net cash provided by operating activities	<u>5</u>	<u>223</u>

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £000	2016 £000
Cash in hand	385	436
Total	<u>385</u>	<u>436</u>

18. CAPITAL COMMITMENTS

At 31 August 2017 the Academy had capital commitments as follows:

	2017 £000	2016 £000
Contracted for but not provided in these financial statements	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
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19. PENSION COMMITMENTS

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

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

Contributions amounting to £36,000 were payable to the schemes at 31 August 2017 (2016 - £36,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £205,000 (2016 - £189,000).

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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19. PENSION COMMITMENTS (continued)

out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £106,000 (2016 - £105,000), of which employer's contributions totalled £77,000 (2016 - £76,000) and employees' contributions totalled £29,000 (2016 - £29,000). The agreed contribution rates for future years are 14.6% for employers and 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.00 %	3.40 %
Rate of increase for pensions in payment / inflation	2.00 %	1.90 %
Inflation assumption (CPI)	2.00 %	1.90 %
Commutation of pensions to lump sums	80.00 %	80.00 %

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

	2017	2016
Retiring today		
Males	22.8	23.1
Females	24.9	25.6
Retiring in 20 years		
Males	25.0	25.3
Females	27.2	28.0

	At 31 August 2017 £000	At 31 August 2016 £000
Sensitivity analysis		
Discount rate +0.1%	1,964	2,105
Discount rate -0.1%	2,055	2,204
Mortality assumption - 1 year increase	1,949	2,086
Mortality assumption - 1 year decrease	2,070	2,222
CPI rate +0.1%	2,038	2,184
CPI rate -0.1%	1,981	2,124

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**NOTES TO THE FINANCIAL STATEMENTS
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19. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	1,079	922
Government bonds	-	8
Corporate bonds	1	8
Property	87	79
Cash and other liquid assets	197	64
	<hr/>	<hr/>
Total market value of assets	1,364	1,081
	<hr/>	<hr/>

The actual return on scheme assets was £206,000 (2016 - £144,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £000	2016 £000
Current service cost	(180)	(120)
Interest income	22	34
Interest cost	(43)	(48)
	<hr/>	<hr/>
Total	(201)	(134)
	<hr/>	<hr/>
Actual return on scheme assets	206	144
	<hr/>	<hr/>

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

	2017 £000	2016 £000
Opening defined benefit obligation	2,154	1,247
Current service cost	180	120
Interest cost	43	48
Employee contributions	29	29
Actuarial (gains)/losses	(368)	714
Benefits paid	(29)	(4)
	<hr/>	<hr/>
Closing defined benefit obligation	2,009	2,154
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. PENSION COMMITMENTS (continued)

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

	2017 £000	2016 £000
Opening fair value of scheme assets	1,081	836
Interest income	22	34
Actuarial losses	184	110
Employer contributions	77	76
Employee contributions	29	29
Benefits paid	(29)	(4)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,364	1,081
	<hr/>	<hr/>

20. OPERATING LEASE COMMITMENTS

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

	2017 £000	2016 £000
AMOUNTS PAYABLE:		
Within one year	14	41
Between one and two years	13	13
Between two and five years	6	-
	<hr/>	<hr/>
Total	33	54
	<hr/>	<hr/>

21. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the period, the academy entered into transactions with Our Children 1st Academy, an organisation in which Helen Bone (School Business Manager) and J Thackstone (Deputy Head Teacher) are Governors. The academy charged Our Children 1st Academy £20,000 for wages and other recharges of costs during the year. Included within debtors was an outstanding balance of £Nil.

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2016.