

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 2018



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 TRUST, ITS MEMBERS, GOVERNORS
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

J Berry
SP Hameed
MV Pagan
J Walsh
D Walker (appointed 1 September 2017)

Governors

MV Pagan, Chair¹
H Ellis, Vice Chair¹
C Armitage (resigned 23 November 2018)
J Berry¹
K Bowe (resigned 23 November 2018)
LV Donner
L Etherington²
P Green (appointed 3 December 2018)
SP Hameed (appointed 21 May 2018, resigned 2 March 2018)
HE McLean (resigned 23 November 2018)²
RD Mills (appointed 24 November 2018)
AJW Pear (resigned 9 April 2018)
NR Rao (resigned 27 June 2018)
J Roberts (appointed 21 May 2018)
J Walsh, Head Teacher, Accounting Officer

¹ Members of Staff Appraisal and Pay Review Committee

² 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 Walsh, Head Teacher
HE 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 Finance and Business Manager

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 2018**

Advisers (continued)

Independent auditors

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

Bankers

Lloyds Bank
137 Albert Road
Middlesbrough
TS1 2PD

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 2018

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. 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 701 in the school census on 1 October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The Governors of Green Lane Primary Academy Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Green Lane Primary Academy Limited.

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 trust has purchased insurance to protect Governors from claims arising against negligent acts, errors or omissions occurring whilst on academy trust 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 Head Teacher, 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 academy trust's Articles of Association.

The term of office for any Governor shall be four years, with the exception of the Head Teacher who holds an ex officio post 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.

GREEN LANE PRIMARY ACADEMY LIMITED
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 trust 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 trust 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

On the 31 August 2018 the Governing Body had 10 governors; the Head Teacher, two staff Governors, four parent Governors, three member appointed Governors and one co-opted Governor. The Senior Leadership Team consists of the Head Teacher, Deputy Head Teachers, Assistant Head Teachers, Finance and 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.

Arrangements for setting pay and remuneration of key management personnel

The Head Teacher is 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 Teacher, including the setting of objectives, will be delegated to a sub-group consisting of normally three members of the Staff Appraisal and Review 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 Teacher with pay recommendations made to the Governing Body by the Staff Appraisal and Review Committee.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Trade Union facility time

The number of employees who were relevant union officials during the relevant period is zero. The academy trust has a SLA agreement to enable teachers to access union facility time should they require it. The cost included in the accounts for this service is £1,370.

Related Parties and other Connected Charities and Organisations

The academy trust is a strategic partner of the Middlesbrough Schools' Teaching Alliance, which is part of the Our Children 1st.

J Thackstone and H Bone, who are senior leaders of the academy are Governors of Our Children 1st.

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 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;
- 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).

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objects and aims (continued)

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

Objective 1:

To improve standards in Reading and Maths. In particular:

- To improve the % of children achieving age related expectation at KS1.
- To improve the % of children achieving age related expectation at KS2.
- To increase the % of pupils achieving ARE above national benchmarks at all key stages.

Objective 2:

- To enable all pupils to fully engage in their learning and make maximum progress across the curriculum by improving standards in Oracy.

Objective 3:

- To ensure that Leaders at all levels are focussed on improving outcomes for pupils and leadership skills are developed to enable effective implementation of priorities; thus ensuring that all pupils achieve expected progress and outcomes are above national benchmarks.

Objectives, strategies and activities

The academy's main objectives are encompassed in its mission statements which is:

We value the individuality of all of our children and we are committed to giving them every opportunity to achieve the highest possible academic standards. Everyone is challenged and encouraged to thrive and achieve as individuals, preparing them for their role as caring and active citizens in modern Britain.
We are "A Big School with a Big Heart."

To this end the objectives and the strategies used to achieve this include:

Objective 1:

- To continue to develop and embed whole school consistency in Planning and Assessment of Reading.
- To further develop the whole school approach to the teaching of specific comprehension skills.
- To include Problem Solving as a teaching and learning strategy in all areas of Maths.
- To embed a whole school approach to Place Value which includes fractions, percentages and decimals.
- To use Target Tracker for precise analysis of attainment and progress.
- To identify barriers to learning for identified children/groups and plan appropriate intervention strategies based on analysis of data.

Objective 2:

- To plan effective and progressive opportunities for quality speaking and listening across the curriculum.
- To plan a language/vocabulary-rich environment for teaching and learning.
- To use targeted intervention strategies for identified groups and personalised teaching for individual children.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities (continued)

Objective 3: Leadership Development

- To develop skills in data analysis to ensure Leaders are confident in identifying priorities for development
- To provide a range of opportunities to enable the development of leadership skills at all levels.
- To ensure Leaders at all levels are involved in aspects of school to school support to widen experience and expertise.
- To ensure Governors have the necessary skills to meet their responsibilities in supporting and challenging leaders in the strategic development of the school.

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

Public benefit

The academy trust'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 trustees have considered this guidance in deciding what activities the academy trust should undertake.

STRATEGIC REPORT

Achievements and performance

Results 2018: Unvalidated

EYFS	GLD
LA	63.9%
NATIONAL	71.6%
SCHOOL	73.6%

PHONICS	PHONICS Y1	PHONICS Y2
LA	79.9%	57.3%
NATIONAL	82.5%	60.8%
SCHOOL	86.7%	69.2%

KS1 >= EXP	READING	WRITING	MATHS	RWM
LA	68.0%	64.1%	68.1%	59.0%
NATIONAL	75.4%	69.9%	76.1%	65.3%
SCHOOL	74.4%	76.7%	76.7%	62.2%

KS2 >= EXP	READING	WRITING	MATHS	GPS	RWM
LA	71.0%	79.8%	74.2%	75.7%	62.8%
NATIONAL	75.3%	78.3%	75.6%	77.7%	64.4%
SCHOOL	73.6%	92.3%	75.8%	81.3%	65.9%

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Achievements and performance (continued)

KS2 HIGH	READING	WRITING	MATHS	GPS	RWM
LA	25.0%	16.9%	19.4%	28.8%	7.0%
NATIONAL	28.1%	19.9 %	23.6%	34.4%	9.9%
SCHOOL	25.3%	30.8%	19.8%	40.7%	11.0%

At EYFS outcomes were above National and this is an improvement of 12% since 2017.

Phonics outcomes also improved in 2018 and in Y1 outcomes were significantly above National benchmarks.

KS1 performance improved on 2017 and in Reading and Maths outcomes are broadly in-line with National and above in Writing. Pupils achieving Greater Depth out-performed pupils nationally in all subjects.

At KS2, Writing outcomes were significantly above National at both the Expected Standard and Greater Depth.

Reading was slightly below National and Maths was broadly in-line: these areas continue to be a focus in our Academy Improvement Plan for 2018/19.

At KS2 Reading, Writing and Maths Combined improved from 2016 and 2017 and is now above National benchmarks at 65.9%.

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 trust's income is obtained from the Department of education (DfE) via the Education Funding and Skills 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 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (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 2018, total expenditure of £3,196,000 was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of income over expenditure for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £2,000. The in-year surplus excluding restricted fixed assets and pension reserves was £66,000.

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

At 31 August 2018 the net book value of fixed assets was £6,907,000 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 trust.

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 £563,000 recognised on the Balance Sheet.

The academy trust held fund balances at 31 August 2018 of £6,719,000 comprising of £258,000 of restricted general funds, £6,914,000 of restricted fixed asset funds, £(563,000) of restricted pension funds and £110,000 of unrestricted funds.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Reserves policy

The academy trust 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 trust 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 trust 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 £110,000. In addition there is GAG carry forward available of £255,000 and therefore overall free reserves are considered to be above the level of reserves required for the ongoing needs of the academy trust.

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

- a) Further capital improvements to the premises and teaching facilities
- b) Further capital investment in ICT to ensure to ensure that the academy remains up to date with technological advancements
- c) Protection against the uncertainty in relation to the removal of public sector pay caps

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 trust is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy trust Balance Sheet.

The Governors have assessed the major risks, to which the academy trust is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy trust, and its finances. The trustees 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 trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

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

FUNDRAISING

From time to time the academy trust may fund raise on behalf of itself or another recognised charity e.g. Children in Need, Sport Relief, Guide Dogs for the Blind and Teesside Hospice.

Parents and carers are informed of the fund raising events and participation is voluntary. The academy trust does not engage professional fundraisers.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 the health and well-being of pupils, physically and mentally, to ensure learning opportunities are maximised; thus enabling all pupils to achieve targets and improve overall outcomes.
- 3) To ensure that Leaders at all levels are equipped with the required skills to drive priorities forward with the aim of improving outcomes for all pupils; thus ensuring that pupils achieve at least expected progress and outcomes continue to improve above national benchmarks.

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 3 December 2018 and signed on its behalf by:



MV Pagan
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 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 7 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	6	7
H Ellis, Vice Chair	5	7
C Armitage	7	7
J Berry	7	7
K Bowe	6	7
LV Donner	5	7
L Etherington, Staff Governor	7	7
SP Hameed (resigned 2 March 2018, appointed 21 May 2018)	5	6
HE McLean, Staff Governor	6	7
AJW Pear (resigned 09 April 2018)	1	5
NR Rao (resigned 27 June 2018)	4	6
J Roberts (appointed 21 May 2018)	2	2
J Walsh, Head Teacher & Accounting Officer	7	7

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

From September 2017, the Board of Governors met 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 annual review of governance has highlighted the need to recruit Governors with specific skills. This will be addressed during 2018.

The Board of Governors will benefit from membership of the National Governors Association.

Governance is reviewed regularly with a formal review planned for the Spring term. The results of this review will form the basis of bespoke training, which will be delivered by the academy trust's governance support partner during the academic year.

Review of Value for Money

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

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GOVERNANCE STATEMENT (continued)

Review of Value for Money (continued)

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

Financial Governance and Monitoring

The budget for the academy trust is agreed by the Board of Governors at the start of each academic year. A report is presented by the Finance and 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 Board of Governors at least five times per year.

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 Board of Governors 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 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 trust'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 trust as required to support and advise on the accountancy system.

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.

Curriculum and Academy Improvement Plan

Academy Improvement Plan 2018-19 priorities include the following:

- 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 the health and well-being of pupils, physically and mentally, to ensure learning opportunities are maximised; thus enabling all pupils to achieve targets and improve overall outcomes.
- 3) To ensure that Leaders at all levels are equipped with the required skills to drive priorities forward with the aim of improving outcomes for all pupils; thus ensuring that pupils achieve at least expected progress and outcomes continue to improve above national benchmarks.

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GOVERNANCE STATEMENT (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Green Lane Primary Academy Limited for the year 1 September 2017 to 31 August 2018 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 trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 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 trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- regular reviews by the Board of Governors 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; and
- 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 reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust'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

On a termly basis, the external auditors provides a written report to the Board of Governors 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.

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GOVERNANCE STATEMENT (continued)

Review of Effectiveness

As Accounting Officer, the 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 auditor's internal assurance reports;
- The work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control and where necessary plans are produced 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 3 December 2018 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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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: 3 December 2018

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

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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 & 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 3 December 2018 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 (the 'academy trust') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the 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 trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the 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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 the financial year 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 trust 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' remuneration specified by law are 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 trust 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the academy trust 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**

Auditors' 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 Auditors' 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. This description forms part of our Auditors' Report.

Use of our report

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



Kevin Shotton BA FCA (Senior Statutory Auditor)

for and on behalf of

Clive Owen LLP

Chartered Accountants
and Statutory Auditors

140 Coniscliffe Road
Darlington
County Durham
DL3 7RT
3 December 2018

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 & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 trust'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 & SKILLS FUNDING AGENCY (continued)**


Approach (continued)

The work undertaken to draw to our conclusion includes:

- Review of Board of Governors 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 2017 to 31 August 2018 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
County Durham
DL3 7RT

3 December 2018

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 2018**

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
INCOME FROM:						
Donations and capital grants	2	3	2	76	81	109
Charitable activities	4	-	2,828	-	2,828	2,757
Other trading activities	3	193	-	-	193	229
TOTAL INCOME		<u>196</u>	<u>2,830</u>	<u>76</u>	<u>3,102</u>	<u>3,095</u>
EXPENDITURE ON:						
Charitable activities		<u>187</u>	<u>2,837</u>	<u>172</u>	<u>3,196</u>	<u>3,278</u>
TOTAL EXPENDITURE	6	<u>187</u>	<u>2,837</u>	<u>172</u>	<u>3,196</u>	<u>3,278</u>
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	14	<u>9</u> -	<u>(7)</u> (30)	<u>(96)</u> 30	<u>(94)</u> -	<u>(183)</u> -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		<u>9</u>	<u>(37)</u>	<u>(66)</u>	<u>(94)</u>	<u>(183)</u>
Actuarial gains on defined benefit pension schemes	18	<u>-</u>	<u>176</u>	<u>-</u>	<u>176</u>	<u>552</u>
NET MOVEMENT IN FUNDS		<u>9</u>	<u>139</u>	<u>(66)</u>	<u>82</u>	<u>369</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		<u>101</u>	<u>(444)</u>	<u>6,980</u>	<u>6,637</u>	<u>6,268</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>110</u></u>	<u><u>(305)</u></u>	<u><u>6,914</u></u>	<u><u>6,719</u></u>	<u><u>6,637</u></u>

The underlying surplus for the year excluding fixed asset funds, movements on pension and transfers was £96,000 (2017: £11,000).

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	2017 £000
FIXED ASSETS				
Tangible assets	11		6,907	6,980
CURRENT ASSETS				
Debtors	12	215		280
Cash at bank and in hand		472		385
		<u>687</u>		<u>665</u>
CREDITORS: amounts falling due within one year	13	(312)		(363)
NET CURRENT ASSETS			<u>375</u>	<u>302</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,282</u>	<u>7,282</u>
Defined benefit pension scheme liability	18		(563)	(645)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>6,719</u></u>	<u><u>6,637</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	14	258		201
Restricted fixed asset funds	14	6,914		6,980
		<u></u>		<u></u>
Restricted income funds excluding pension liability		7,172		7,181
Pension reserve		(563)		(645)
		<u></u>		<u></u>
Total restricted income funds			6,609	6,536
Unrestricted income funds	14		110	101
			<u></u>	<u></u>
TOTAL FUNDS			<u><u>6,719</u></u>	<u><u>6,637</u></u>

The financial statements on pages 22 to 46 were approved by the Governors, and authorised for issue, on 3 December 2018 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 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	16	107	5
Cash flows from investing activities:			
Purchase of tangible fixed assets		(99)	(159)
Capital grants from DfE Group		76	101
Capital funding received from sponsors and others		-	2
Disposal of tangible fixed assets		3	-
Net cash used in investing activities		(20)	(56)
Change in cash and cash equivalents in the year		87	(51)
Cash and cash equivalents brought forward		385	436
Cash and cash equivalents carried forward		472	385

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 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 trust at the discretion of the Governors.

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

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

1.3 INCOME

All income is recognised once the academy trust 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 2018

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 trust's educational operations, including support costs and those costs relating to the governance of the academy trust 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 trust 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 TAXATION

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.7 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:

Long-term leasehold land	-	125 years
Long-term Leasehold property	-	50 years
Furniture and fixtures	-	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.

1.8 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.

1.9 INTEREST RECEIVABLE

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

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 2018

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 trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions 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 trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost 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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions 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 2018

1. ACCOUNTING POLICIES (continued)

1.14 PENSIONS (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 18, 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 2018. 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 £169,000.

Land and buildings – Land and buildings are held under a 125 year lease from Middlesbrough Borough Council. These assets are included on the Balance Sheet of the academy trust due to the significant risks and rewards of ownership belonging to the academy trust, 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 trust could use them without major modification.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donations	3	2	-	5	8
Capital Grants	-	-	76	76	101
	<u>3</u>	<u>2</u>	<u>76</u>	<u>81</u>	<u>109</u>
Total 2017	<u>3</u>	<u>3</u>	<u>103</u>	<u>109</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Sundry income	76	-	76	77
Lettings	2	-	2	5
Uniforms	2	-	2	5
School trips	30	-	30	47
Staff absence insurance	4	-	4	19
Catering	79	-	79	76
	<u>193</u>	<u>-</u>	<u>193</u>	<u>229</u>
Total 2017	<u>229</u>	<u>-</u>	<u>229</u>	

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4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,279	2,279	2,277
Other DfE/ESFA grants	-	287	287	276
	<hr/>	<hr/>	<hr/>	<hr/>
	-	2,566	2,566	2,553
Other government grants				
SEN	-	29	29	30
Early Years Funding	-	223	223	167
Other Government grants	-	10	10	7
	<hr/>	<hr/>	<hr/>	<hr/>
	-	262	262	204
	<hr/>	<hr/>	<hr/>	<hr/>
	-	2,828	2,828	2,757
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	<hr/>	<hr/>	<hr/>	<hr/>
	-	2,757	2,757	
	<hr/>	<hr/>	<hr/>	

GREEN LANE PRIMARY ACADEMY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
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5. CHARITABLE ACTIVITIES

	2018 £000	2017 £000
DIRECT COSTS		
Wages and salaries	1,674	1,696
National insurance	140	152
Pension cost	353	365
Educational Supplies	76	78
Staff development	5	1
Other direct costs	26	29
	<hr/> 2,274	<hr/> 2,321
SUPPORT COSTS		
Wages and salaries	149	142
National insurance	9	7
Pension costs	22	20
Depreciation	169	173
Net interest cost on pension scheme	15	21
Technology costs	88	98
Maintenance of premises and equipment	23	26
Cleaning	58	56
Rates	22	18
Energy	33	30
Insurance	20	20
Security	-	3
Transport	4	5
Catering	201	212
Occupancy Costs	2	11
Bank interest and charges	1	2
Other Support costs	72	75
Governance costs	34	38
	<hr/> 922	<hr/> 957
	<hr/> <hr/> 3,196	<hr/> <hr/> 3,278

GREEN LANE PRIMARY ACADEMY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Academy's educational operations:					
Direct costs	2,167	-	107	2,274	2,321
Support costs	180	308	434	922	957
	<u>2,347</u>	<u>308</u>	<u>541</u>	<u>3,196</u>	<u>3,278</u>
Total 2017	<u>2,382</u>	<u>306</u>	<u>590</u>	<u>3,278</u>	

In 2018, of the total expenditure, £187,000 (2017 - £227,000) was to unrestricted funds, £2,837,000 (2017 - £2,878,000) was to restricted funds and £172,000 (2017 - £173,000) 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:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	169	173
Loss on disposal of fixed assets	3	-
Operating lease rentals	15	42
Auditors' remuneration	6	6
Auditors' remuneration non audit	<u>3</u>	<u>5</u>

GREEN LANE PRIMARY ACADEMY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

8. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	1,823	1,794
Social security costs	149	159
Operating costs of defined benefit pension schemes	375	385
	<hr/> 2,347	<hr/> 2,338
Agency staff costs	-	44
	<hr/> 2,347	<hr/> 2,382

Included within the operating costs of defined benefit pension schemes is £79,000 (2017: £103,000) in respect of the movements in the LGPS pension deficit.

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	30	32
Administration and support	52	51
Management	8	8
	<hr/> 90	<hr/> 91

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	1	1

d. Key management personnel

The key management personnel of the academy trust 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 trust was £434,000 (2017: £469,000).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

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:

		2018 £000	2017 £000
J Walsh, Co-Head Teacher	Remuneration	70-75	70-75
	Pension contributions paid	10-15	10-15
J Lucas, Co-Head Teacher	Remuneration	-	40-45
	Pension contributions paid	-	5-10
HE McLean, Deputy Head Teacher	Remuneration	55-60	55-60
	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 (2017 - £NIL).

During the year ended 31 August 2018, no Governors received any reimbursement of expenses (2017 - £NIL).

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £ 5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £500 (2017 - £798).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. TANGIBLE FIXED ASSETS

	Capital work in progress £000	Long-term leasehold property £000	Furniture and fixtures £000	Computer equipment £000	Total £000
COST					
At 1 September 2017	126	6,951	294	112	7,483
Additions	1	17	76	5	99
Disposals	-	-	(6)	-	(6)
Transfer between classes	(127)	103	24	-	-
At 31 August 2018	-	7,071	388	117	7,576
DEPRECIATION					
At 1 September 2017	-	339	81	83	503
Charge for the year	-	103	47	19	169
On disposals	-	-	(3)	-	(3)
At 31 August 2018	-	442	125	102	669
NET BOOK VALUE					
At 31 August 2018	-	6,629	263	15	6,907
At 31 August 2017	126	6,612	213	29	6,980

12. DEBTORS

	2018 £000	2017 £000
Trade debtors	14	4
Other debtors	1	1
VAT recoverable	66	76
Prepayments and accrued income	134	199
	<u>215</u>	<u>280</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £000	2017 £000
Trade creditors	75	45
Other taxation and social security	42	40
Other creditors	40	37
Accruals and deferred income	155	241
	<u>312</u>	<u>363</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2018 £000	2017 £000
DEFERRED INCOME		
Deferred income at 1 September 2017	65	71
Resources deferred during the year	63	65
Amounts released from previous years	(65)	(71)
	<u>63</u>	<u>65</u>
Deferred income at 31 August 2018	<u>63</u>	<u>65</u>

At the balance sheet date the academy trust was holding deferred income relating to Rates Relief, Universal Infant Free School Meals and school trip income relating to the academic year 2018/19.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

14. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
UNRESTRICTED FUNDS						
Unrestricted funds	101	196	(187)	-	-	110
RESTRICTED FUNDS						
General Annual Grant (GAG)	193	2,279	(2,187)	(30)	-	255
Other DfE/ESFA grants	5	287	(289)	-	-	3
Other Government grants	-	262	(262)	-	-	-
Restricted donations	3	2	(5)	-	-	-
Pension reserve	(645)	-	(94)	-	176	(563)
	(444)	2,830	(2,837)	(30)	176	(305)
RESTRICTED FIXED ASSET FUNDS						
Inherited on conversion	6,390	-	(98)	-	-	6,292
Other DfE/ESFA grants	243	76	(16)	-	-	303
Capital expenditure from GAG	248	-	(53)	30	-	225
Donations	7	-	(1)	-	-	6
Start Up grant	5	-	(1)	-	-	4
Unrestricted fixed assets	4	-	(1)	-	-	3
LA Capital Grant	83	-	(2)	-	-	81
	6,980	76	(172)	30	-	6,914
Total restricted funds	6,536	2,906	(3,009)	-	176	6,609
Total of funds	6,637	3,102	(3,196)	-	176	6,719

GREEN LANE PRIMARY ACADEMY LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

14. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
GENERAL FUNDS						
Unrestricted funds	98	232	(227)	(2)	-	101
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
Other DfE/ESFA 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>

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
UNRESTRICTED FUNDS						
Unrestricted funds	98	428	(414)	(2)	-	110
RESTRICTED FUNDS						
General Annual Grant (GAG)	242	4,556	(4,463)	(80)	-	255
Other DfE/ESFA grants	-	563	(560)	-	-	3
Other Government grants	-	466	(466)	-	-	-
Restricted donations	3	5	(8)	-	-	-
Pension reserve	(1,073)	-	(218)	-	728	(563)
	<u>(828)</u>	<u>5,590</u>	<u>(5,715)</u>	<u>(80)</u>	<u>728</u>	<u>(305)</u>
RESTRICTED FIXED ASSET FUNDS						
Inherited on conversion	6,488	-	(196)	-	-	6,292
Other DfE/ESFA grants	239	94	(30)	-	-	303
Capital expenditure from GAG	256	-	(111)	80	-	225
Donations	6	2	(2)	-	-	6
Start Up grant	6	-	(2)	-	-	4
Unrestricted fixed assets	3	-	(2)	2	-	3
LA Capital Grant	-	83	(2)	-	-	81
	<u>6,998</u>	<u>179</u>	<u>(345)</u>	<u>82</u>	<u>-</u>	<u>6,914</u>
	<u>6,170</u>	<u>5,769</u>	<u>(6,060)</u>	<u>2</u>	<u>728</u>	<u>6,609</u>
Total of funds	<u>6,268</u>	<u>6,197</u>	<u>(6,474)</u>	<u>-</u>	<u>728</u>	<u>6,719</u>

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 trust 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 trust 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.

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

The pensions reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 18.

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 £30,000 (2017: £50,000) was made from General Annual Grant restricted funds to the restricted fixed asset funds for purchase of fixed assets.

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 trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	6,907	6,907
Current assets	114	498	75	687
Creditors due within one year	(4)	(240)	(68)	(312)
Provisions for liabilities and charges	-	(563)	-	(563)
	<u>110</u>	<u>(305)</u>	<u>6,914</u>	<u>6,719</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

	2018 £000	2017 £000
Net expenditure for the year (as per Statement of Financial Activities)	(94)	(183)
Adjustment for:		
Depreciation charges	169	173
Decrease/(increase) in debtors	65	(50)
(Decrease)/increase in creditors	(51)	44
Capital grants from DfE and other capital income	(76)	(103)
Defined benefit pension scheme finance cost	94	124
Net cash provided by operating activities	<u>107</u>	<u>5</u>

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £000	2017 £000
Cash in hand	472	385
Total	<u>472</u>	<u>385</u>

18. PENSION COMMITMENTS

The academy trust'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 £38,000 were payable to the schemes at 31 August 2018 (2017 - 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.

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

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%.

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 September 2019.

The employer's pension costs paid to TPS in the period amounted to £207,000 (2017 - £205,000).

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 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 2018 was £121,000 (2017 - £106,000), of which employer's contributions totalled £89,000 (2017 - £77,000) and employees' contributions totalled £32,000 (2017 - £29,000). The agreed contribution rates for future years are 15.6% 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.00 %	3.00 %
Rate of increase for pensions in payment / inflation	2.00 %	2.00 %
Inflation assumption (CPI)	2.00 %	2.00 %
Commutation of pensions to lump sums	80.00 %	80.00 %

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18. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	22.9	22.8
Females	25.0	24.9
Retiring in 20 years		
Males	25.1	25.0
Females	27.3	27.2

	At 31 August 2018 £000	At 31 August 2017 £000
Sensitivity analysis		
Discount rate +0.1%	2,065	1,964
Discount rate -0.1%	2,160	2,055
Mortality assumption - 1 year increase	2,051	1,949
Mortality assumption - 1 year decrease	2,173	2,070
CPI rate +0.1%	2,142	2,038
CPI rate -0.1%	2,082	1,981

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	1,131	1,079
Government bonds	-	-
Corporate bonds	-	1
Property	119	87
Cash and other liquid assets	279	197
Other	20	-
Total market value of assets	1,549	1,364

The actual return on scheme assets was £77,000 (2017 - £206,000).

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

	2018 £000	2017 £000
Current service cost	(168)	(180)
Interest income	35	22
Interest cost	(50)	(43)
Total	(183)	(201)

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18. PENSION COMMITMENTS (continued)

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

	2018 £000	2017 £000
Opening defined benefit obligation	2,009	2,154
Current service cost	168	180
Interest cost	50	43
Employee contributions	32	29
Actuarial gains	(134)	(368)
Benefits paid	(13)	(29)
	<hr/>	<hr/>
Closing defined benefit obligation	2,112	2,009
	<hr/>	<hr/>

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

	2018 £000	2017 £000
Opening fair value of scheme assets	1,364	1,081
Interest income	35	22
Actuarial gains	42	184
Employer contributions	89	77
Employee contributions	32	29
Benefits paid	(13)	(29)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,549	1,364
	<hr/>	<hr/>

19. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
AMOUNTS PAYABLE:		
Within one year	23	14
Between one and two years	22	13
Between two and five years	2	6
	<hr/>	<hr/>
Total	47	33
	<hr/>	<hr/>

20. NET INTEREST COST ON PENSION SCHEME

	2018 £000	2017 £000
Expected return on pension scheme assets	35	22
Interest on pension scheme liabilities	(50)	(43)
	<hr/>	<hr/>
	(15)	(21)
	<hr/>	<hr/>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transaction

Helen Bone (School Business Manager) and J Thackstone (Deputy Head Teacher) are Governors of Our Children 1st. During the period, the academy trust purchased teaching school services totalling £1,000 from Our Children 1st. There were no amounts outstanding at 31 August 2018 (2017: £Nil).

The academy made the purchase at arms' length and in accordance with its finance regulations.

Income Related Party Transaction

During the period, the academy trust charged Our Children 1st £30,000 (2017: £20,000) for wages and other recharges of costs during the year. Included within debtors was an outstanding balance of £12,000 (2017: £Nil).

In entering into the transactions the academy trust has complied with the requirements of the Academies Financial Handbook 2017.