

Company Registration No. 09150608 (England and Wales)

THE GRANGE TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

TUESDAY



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THE GRANGE TRUST

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THE GRANGE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

D Hucknall (Chair of Trustees) (Resigned 1 January 2016)
R Colquhoun (Accounting Officer)
A Brown
P M Reddick (Resigned 1 September 2015)
R Morris (Chair of Trustees)
C Watson (Vice Chair) (Appointed 15 October 2015)
K Tinkler (Appointed 1 January 2016)

Members

D Hucknall
C Watson
C Guest
R Morris (from 25/01/2016)

Senior management team

- Chief Executive Officer	R Colquhoun
- Deputy Head	A Laity
- Assistant Head	K Thorley
- Assistant Head	L Firth
- Business Director	J Douglas

Company secretary

J Douglas

Company registration number

09150608 (England and Wales)

Registered office

Bramley Grange Primary
Howard Road
Bramley
Rotherham
South Yorkshire
S66 2SY

Independent auditor

Hart Shaw LLP
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Bankers

Lloyds Bank
9 Wellgate
Rotherham
South Yorkshire
S60 2LU

Solicitors

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

THE GRANGE TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

On 1st October 2014, Bramley Grange Primary School converted to academy status under the Academies Act 2010. The charitable company was incorporated on 28 July 2014 and commenced as a multi academy trust on 1 October 2014. As of 31st August 2016, the trust operates an academy for pupils aged 3-11 serving a catchment area in Bramley on the outskirts of Rotherham. The academy has a pupil capacity of 280 children, but according to the school census October 2016 has a roll of 330.

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 trustees of The Grange Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Bramley Grange Primary School.

Details of the trustees who served during the year 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 an amount as maybe required, not exceeding £10, for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

A trustee may benefit from any indemnity insurance purchased at the academy trust's expense to cover the liability of the trustees' which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they maybe guilty in relation to the academy trust; provided that any such insurance shall not extend to any claim arising from any act or omission which the trustees knew to be a breach of trust or breach of duty or which was committed by the trustees in regular disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the academy trust.

The trustees have liability insurance with Zurich Muncipal effective date 1 October 2015, recently renewed. There is a limit of indemnity of £2,000,000.

Method of Recruitment and Appointment or Election of Trustees

Subject to Articles of Association 12 -18 members of the academy trust must be no less than three and they have the right to appoint other members. Members agree to appoint other members through passing a special resolution to appoint others.

Subject to Articles of Association 50-53 members may appoint up to 12 directors, through a process that they determine. The total number of directors who are employed by the school shall not exceed one third of the total number of directors. There should be a minimum of two parent directors unless there are parent members of the advisory body. In the trust, there are two parent members of the advisory body elected by parents of children who are on roll at the academy.

THE GRANGE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Directors may co-opt directors. The directors may not co-opt an employee of the Company as a Co-opted Director if thereby the number of Directors who are employees of the Company would exceed one third of the total number of Directors

The directors appoint person(s) to the advisory body.

Policies and Procedures adopted for the induction and training of Trustee's

The training and induction provided for each new trustee will depend on their existing experience. Where necessary, induction will provide training on educational, legal and financial matters. All trustees of the academy trust have access to policies and procedures, minutes, accounts, budgets, strategic plans and other documents that they need to undertake their role as trustees. The academy will also conduct an annual skills audit of trustees and should gaps be identified training courses are available. Trustees also have access to training provided by The Teaching School Alliance and Rotherham School Improvement partnership.

Organisational Structure

The management structure consists of:

- The Academy Trust Board
- The Chief Executive
- The Company Secretary
- The Senior Leadership Team within the Academy Trust
- The Advisory Body of the Academy Trust

The aim of the management structure is to encourage and devolve responsibility, accountability and decision making at all levels. The academy has a scheme of delegation which outlines those duties delegated to each level of management.

The trustees are responsible for setting policies, adopting a strategic plan and budget, monitoring the performance of the academy, appointment and appraisal of head teacher, appointment of staff and pay awards for teaching staff.

The management team consists of the chief executive/head teacher, deputy head teacher, two assistant head teachers and a business director. They control the academy and report to the trustees. The management team are responsible for authorising spending and appointing teaching and non- teaching staff.

The trust board and chief executive are responsible for management appointments.

The advisory body adopt the strategic plan of the school, monitor its implementation and performance of the school. They support the board in fulfilling its obligations.

Arrangements for setting pay and remuneration of key management personnel

All staff are subject to performance related pay as set out in the academy's pay policy. Decisions regarding pay including determination of pay range for the leadership team including head teacher/CEO are made by the directors. Pay appeals are heard by those directors not involved in determining/approving pay awards. The trust has a clear appraisal policy and pay policy last reviewed in July 2016.

THE GRANGE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Related Parties and Other Connected Charities and Organisation

For the purpose of school improvement, the academy buys into the Rotherham School Improvement Partnership as well as Learners First (Teaching School Alliance).

Objectives and Aims

The Grange Trust has a vision of excellence for all. Children are at the heart of the organisation with all those within it committed to ensuring every child has the best possible educational experience and achieves the best they possibly can. The world has no limits, and children have many talents that need to be nurtured and celebrated in order to improve life chances, coupled with the opportunities to be the best they can be.

The trust has five key principles:

- Children always come first
- Inclusive education for all including those who are the most vulnerable (SEND, LAC, FSM)
- High quality teaching and learning
- Positive partnerships are key – collaboration through sharing and supporting
- Investing in staff development and progression

In accordance with the Articles of Association, The Grange Trust has entered into a funding agreement with the Secretary of State. The funding agreement specifies the requirements for the provision of education.

The main objectives for 2015/2016 are summarised below:

- Through high quality leadership and high quality teaching and learning provide the best education possible to every learner in order to realise their full potential.
- Provide a high quality learning environment which promotes learning and encourages all learners and stakeholders to be the best they can be
- Develop partnerships within and beyond the local community as a catalyst for ensuring more children receive an exceptional education
- Embrace autonomy and collaboration across key areas of leadership underpinned by a shared vision, values and best practise
- Provide value for money for the funds expended

Objectives, strategies and activities

Learners and staff are empowered to have high expectations of themselves and encouraged to adopt a 'can do' attitude. We nurture a range of life skills including respect, resilience, motivation and independence so they can grow into well rounded individuals.

We believe in achievement and enjoyment of learning, understanding that a good grasp of English and Maths is fundamental for accessing the whole of the curriculum and prioritise learning in these core areas. We have a positive ethos, rewarding success of individuals and teams.

We will provide the very best education and training for every individual within the academy and will ensure this is delivered. We value excellent teaching, underpinned by support and high quality professional development. We constantly seek to improve using and instigating the best ideas and practise.

We also understand that in order to achieve the afore mentioned it is crucial that the environment is of high quality and promotes learning, support and creativity. We seek to do this by investing in the environment constantly seeking new ideas.

THE GRANGE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Public Benefit

The trustees have complied with the duty in Section 4 of the Charities act 2006, to have due regard to public benefit guidance published by the charity commission in exercising their duties or powers. In particular, the trustees consider how planned activities will contribute to aims and objectives they have set. The academy has provided a fully comprehensive education to all its pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives.

Strategic Report

Achievements and Performance

The results show that performance is improving and projected to improve further, particularly in the areas identified by the trust as part of its strategic plan. This demonstrates success in the Company's public benefit education objectives.

Key performance indicators

KS2

	Achieving national Standard	National	Scaled Score	Progress Score
Reading	79.5%	66%	105	+1.7
Writing	91%	70%	104	+1.9
Maths	73%	72%	104	+0.7
RWM Combined	65.9%	53%	-	-
SPAG	80%	74%	105	-

KS1

	Achieving national Standard	National
Reading	83.7%	74%
Writing	69.8%	65.5%
Maths	76.7%	72.6%

Year One - Phonics

2016	2015	2014	2013
80.4%	77.5%	42.2%	39%

Foundation Stage – Good Level of Development

2016	2015	2014	2013
90.4%	57.5%	47.5%	45.5%

THE GRANGE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Going Concern

After making enquiries, the board of trustees 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 financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Financial risk management objectives and policies

The vast majority of the trust's income is obtained from the DFE via the Education Funding Agency (EFA) in the form of grants the use of which is restricted to educational purposes.

Key financial policies adopted include The Scheme of Delegation, School Financial procedures. The trust's procedures set out the framework for financial management including financial responsibilities of trustees and the leadership team.

The Scheme of delegation has been reviewed this year as well as levels of expenditure. This has been adopted by the trust.

In relation to key financial indicators, the school has:

- Received £4,575 per pupil in income
- Spent £4,802 per pupil
- Spent 66% of the total budget on employees
- Spent an average of £45,894 per teacher
- Spent 15% of the budget on leadership

Reserves Policy

The trustees review the reserve levels on a regular basis. They always seek to match income with commitments and nature of reserves. The trust ensure that reserve funds are invested in the following:

- ICT Provision and Infra structure to support learning
- Maintaining and developing grounds and buildings

Future financial cost pressures will also reduce the level of financial reserves in the long term.

Our aim is to use the funds each year for the full benefit of the pupils within that year however the academy trust also considers it necessary to carry forward some reserves.

The level of free reserves (total funds less fixed asset and other restricted funds) as at 31 August 2016 was £4,901.

The restricted pension fund is in deficit to the value of £606,000 as at 31 August 2016. The trustees will continue to monitor this situation closely.

THE GRANGE TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Investment Policy

Surplus funds are always invested back into the academy and used for planned projects that are of educational benefit. Investment risk will be managed through asset class selection and diversification to ensure that security of deposits takes precedence over revenue maximisation. Decisions on how much to invest and how long to invest for, will be based on operational requirements, demonstrated by cash flow. The cash flow will take account of the annual budget and spending plans approved by the trust.

A sufficient balance must be held in the current account so that the academy's financial commitments can always be met without the bank account going overdrawn. The size of the balance will be determined by a forecast of future need and kept under review.

Investments for a fixed term do not normally exceed one year in order to provide flexibility for the following year's plans, unless a clear rationale is provided for exceeding one year to the benefit of the academy.

Principal Risks and Uncertainties

The risks to which the trust is exposed have been reviewed and systems and processes to mitigate those risks have been established.

Credit Risk

The trust recognises exposure to credit risk is the risk that revenues cannot be collected and the exposure to banks where the trust's own cash is deposited. The credit risk is low for the trust.

Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and interest bearing deposits. The trust recognises that the defined benefit scheme deficits (Local Government Pension Scheme) as a significant liability. However, as the trustees of the trust consider that the academy trust is able to meet its annual deficit contribution commitments for the foreseeable future, the risk from this liability is minimised and is manageable.

Plans for Future Periods

The trust will work towards delivering a set of core characteristics:

- High standards of behaviour and attitudes to learning.
- Outstanding teaching and learning
- A personalised school curriculum and assessment system
- An organisation where high standards is the norm and all achieve and progress well.
- Fully inclusive approach where all children are equally important
- Positive relationships
- Mutual respect between children, staff and community
- High expectations
- Wide range of enrichment opportunities
- Development of wrap around care
- Celebration of successes

The trust is planning to seek to expand over the forthcoming year and has begun the process of considering becoming an academy sponsor.

THE GRANGE TRUST

TRUSTEES' REPORT (CONTINUED)

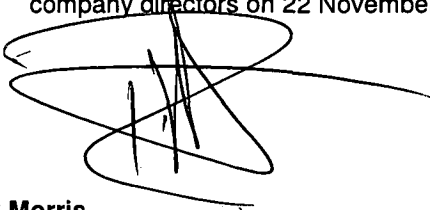
FOR THE PERIOD ENDED 31 AUGUST 2016

Auditor

In so far as the trustees are aware:

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

Trustee's report incorporating a strategic report was approved by order of the board of trustees, as the company directors on 22 November 2016 and signed on the boards behalf by:

A handwritten signature in black ink, consisting of several vertical strokes and a large, sweeping loop that crosses over itself.

R Morris

Chair of Trustees

THE GRANGE TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the chief executive officer, 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 The Grange Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
D Hucknall (Chair of Trustees) (Resigned 1 January 2016)	3	3
R Colquhoun (Accounting Officer)	7	7
A Brown	7	7
P M Reddick (Resigned 1 September 2015)	0	0
R Morris (Chair of Trustees)	7	7
C Watson (Vice Chair) (Appointed 15 October 2015)	5	5
K Tinkler (Appointed 1 January 2016)	3	3

The Trust intends to carry out a review of governance during the current academic year as per EFA requirements. This is currently in process and is being carried out by the Chair of the Trust.

The audit committee is a sub-committee of the main board of trustees.

The purpose of the audit committee is to assist the board of trustees in fulfilling its corporate governance and overseeing responsibilities in relation to financial reporting, internal control system, risk management system and internal and external audit functions.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
D Hucknall (Chair of Trustees) (Resigned 1 January 2016)	1	1
R Morris (Chair of Trustees)	1	1
C Watson (Vice Chair) (Appointed 15 October 2015)	1	1

Review of value for money

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

THE GRANGE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Putting value for money at the heart of all purchases
- Having effective strategic processes in place with clear objectives and priorities shared with the academy trust board
- Investing in training
- Investing in electronic systems
- Reviewing service level agreements
- Measuring and tracking impact at all levels
- Ensuring the academy trust board and business staff have the relevant knowledge, experience and skills to carry out their role
- Carrying out tender processes where appropriate
- Use of benchmarking data to evaluate current costs
- Seeking cost reductions and balancing with quality
- Being open and transparent where legislation allows

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Grange Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Hart Shaw LLP as internal auditor.

THE GRANGE TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The internal auditor'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 the controls of the following systems:

- testing of purchasing/procurement systems including ensuring that authorisation and value for money policies are adhered to;
- testing of the payroll systems;
- testing of the receipt of income systems;
- testing of bank controls and reconciliation procedures;
- testing of VAT reporting;
- testing of procedures for the recording of financials and reporting to governors.

On a termly basis, Hart Shaw LLP reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

Hart Shaw LLP have delivered their schedule of work as planned. A schedule of recommendations to further improve systems and controls in place has been scheduled for the audit committee and any recommendations have been put in place in a timely manner.

Review of effectiveness

As accounting officer the chief executive officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

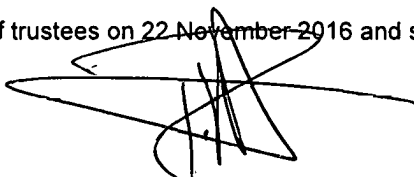
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on 22 November 2016 and signed on its behalf by:



R Colquhoun
Accounting Officer



R Morris
Chair of Trustees

THE GRANGE TRUST

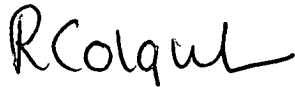
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of The Grange Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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



R Colquhoun
Accounting Officer

22 November 2016

THE GRANGE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

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

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

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

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

Approved by order of the board of trustees on 22 November 2016 and signed on its behalf by:



R Morris
Chair of Trustees

THE GRANGE TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE GRANGE TRUST

We have audited the accounts of The Grange Trust for the year ended 31 August 2016 which comprise of the Statement of Financial Activities, the Balance Sheet, the Statement of Cash and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 13, the trustees, (who are also the directors of the academy trust for the purposes of company law), are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

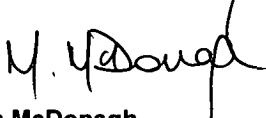
THE GRANGE TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE GRANGE TRUST (CONTINUED)

Matters on which we are required to report by exception

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

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



Martin McDonagh
(Senior Statutory Auditor)
for and on behalf of Hart Shaw LLP

Chartered Accountants
Statutory Auditor
Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Dated: 22 November 2016

THE GRANGE TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GRANGE TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Grange Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Grange Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Grange Trust's funding agreement with the Secretary of State for Education dated 30 September 2014 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- We have carried out systems testing to ensure adequate controls are in place to prevent the infringement of regularity requirements.
- We have carried out detailed substantive testing on revenue and capital transactions to ensure these have been properly reflected and recorded in the financial statements and are for the purpose of the trust.
- We have carried out a detailed review of related parties to ensure trustees are not benefiting from transactions with the trust.

THE GRANGE TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GRANGE TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Hart Shaw LLP
Reporting Accountant

Europa Link
Sheffield Business Park
Sheffield
S9 1XU

Dated: 22 November 2016

THE GRANGE TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	5,794	-	7,683	13,477	7,677
Donations - transfer from local authority on conversion		-	-	-	-	1,636,580
Charitable activities:						
- Funding for educational operations	3	60,893	1,401,472	-	1,462,365	1,350,784
Other trading activities	4	33,904	-	-	33,904	8,016
Investments	5	128	-	-	128	114
Total income and endowments		<u>100,719</u>	<u>1,401,472</u>	<u>7,683</u>	<u>1,509,874</u>	<u>3,003,171</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	46,562	1,481,586	56,482	1,584,630	1,374,848
Total expenditure	6	<u>46,562</u>	<u>1,481,586</u>	<u>56,482</u>	<u>1,584,630</u>	<u>1,374,848</u>
Net income/(expenditure)		54,157	(80,114)	(48,799)	(74,756)	1,628,323
Transfers between funds		(123,883)	64,114	59,769	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(223,000)	-	(223,000)	(26,000)
Net movement in funds		<u>(69,726)</u>	<u>(239,000)</u>	<u>10,970</u>	<u>(297,756)</u>	<u>1,602,323</u>
Reconciliation of funds						
Total funds brought forward		74,627	(367,000)	1,894,696	1,602,323	-
Total funds carried forward		<u>4,901</u>	<u>(606,000)</u>	<u>1,905,666</u>	<u>1,304,567</u>	<u>1,602,323</u>

THE GRANGE TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative information

for the year ended 31 August 2015

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	-	-	7,677	7,677
Donations - transfer from local authority on conversion		64,101	(327,000)	1,899,479	1,636,580
Charitable activities:					
- Funding for educational operations	3	33,951	1,316,833	-	1,350,784
Other trading activities	4	8,016	-	-	8,016
Investments	5	114	-	-	114
Total income and endowments		106,182	989,833	1,907,156	3,003,171
Expenditure on:					
Charitable activities:					
- Educational operations	7	14,767	1,315,794	44,287	1,374,848
Total expenditure	6	14,767	1,315,794	44,287	1,374,848
Net income/(expenditure)		91,415	(325,961)	1,862,869	1,628,323
Transfers between funds		(16,788)	(15,039)	31,827	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(26,000)	-	(26,000)
Net movement in funds		74,627	(367,000)	1,894,696	1,602,323
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		74,627	(367,000)	1,894,696	1,602,323

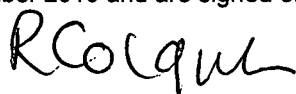
THE GRANGE TRUST

BALANCE SHEET

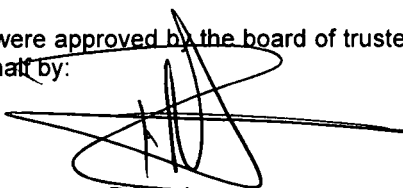
AS AT 31 AUGUST 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	11	1,922,908	1,894,696
Current assets			
Stocks	12	3,174	3,058
Debtors	13	51,286	87,124
Cash at bank and in hand		50,772	88,412
		<u>105,232</u>	<u>178,594</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(117,573)	(103,967)
Net current assets		<u>(12,341)</u>	<u>74,627</u>
Net assets excluding pension liability		<u>1,910,567</u>	<u>1,969,323</u>
Defined benefit pension liability	21	(606,000)	(367,000)
Net assets		<u><u>1,304,567</u></u>	<u><u>1,602,323</u></u>
Funds of the academy trust:			
Restricted funds	16		
- Fixed asset funds		1,905,666	1,894,696
- Pension reserve		(606,000)	(367,000)
Total restricted funds		<u>1,299,666</u>	<u>1,527,696</u>
Unrestricted income funds	16	4,901	74,627
Total funds		<u><u>1,304,567</u></u>	<u><u>1,602,323</u></u>

The accounts set out on pages 18 to 38 were approved by the board of trustees and authorised for issue on 22 November 2016 and are signed on its behalf by:



R Colquhoun
Accounting Officer



R Morris
Chair of Trustees

Company Number 09150608

THE GRANGE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash provided by operating activities	18		22,001		56,024
Cash funds transferred on conversion			-		64,101
			<u>22,001</u>		<u>120,125</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		128		114	
Capital grants from DfE and EFA		7,683		7,677	
Payments to acquire tangible fixed assets		<u>(67,452)</u>		<u>(39,504)</u>	
			<u>(59,641)</u>		<u>(31,713)</u>
Change in cash and cash equivalents in the reporting period			<u>(37,640)</u>		<u>88,412</u>
Cash and cash equivalents at 1 September 2015			88,412		-
Cash and cash equivalents at 31 August 2016			<u><u>50,772</u></u>		<u><u>88,412</u></u>

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Grange Trust meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 23.

Explanation of transition to FRS 102

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

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

1.2 Going concern

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

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school to an academy trust have been valued at their fair value being a reasonable estimate of the current market values that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for The Grange Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

1.4 Income

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

Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the 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

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

1.5 Expenditure

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

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

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Expenditure on raising funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a basis over its expected useful life, as follows:

Land	Over the lease term 125 years
Buildings	2% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	15% reducing balance

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

1.7 Liabilities

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

1.8 Leasing and hire purchase commitments

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

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.9 Taxation

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

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

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

1.11 Fund accounting

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

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

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

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.12 Critical accounting estimates and areas of judgement

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

Critical accounting estimates 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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	7,683	7,683	7,677
Other donations	5,794	-	5,794	-
	<u>5,794</u>	<u>7,683</u>	<u>13,477</u>	<u>7,677</u>

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	1,196,297	1,196,297	1,107,617
Other DfE / EFA grants	-	123,294	123,294	109,461
	-	1,319,591	1,319,591	1,217,078
Other government grants				
Local authority grants	-	81,881	81,881	99,755
Other funds				
Other incoming resources	60,893	-	60,893	33,951
Total funding	60,893	1,401,472	1,462,365	1,350,784

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Insurance claims for staff absence	28,972	-	28,972	4,899
Other income	4,932	-	4,932	3,117
	33,904	-	33,904	8,016

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	128	-	128	114

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	912,252	-	153,159	1,065,411	960,066
- Allocated support costs	131,755	104,446	255,170	491,371	391,355
	<u>1,044,007</u>	<u>104,446</u>	<u>408,329</u>	<u>1,556,782</u>	<u>1,351,421</u>
Other expenditure					
Governance costs	-	-	27,848	27,848	23,427
	<u>-</u>	<u>-</u>	<u>27,848</u>	<u>27,848</u>	<u>23,427</u>
Total expenditure	<u>1,044,007</u>	<u>104,446</u>	<u>436,177</u>	<u>1,584,630</u>	<u>1,374,848</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Operating leases		
- Plant and machinery	10,159	9,774
Fees payable to auditor		
- Audit	4,100	4,000
- Other services	1,550	1,350
	<u>15,809</u>	<u>15,124</u>

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	31,071	1,034,340	1,065,411	960,066
Support costs - educational operations	15,491	503,728	519,219	414,782
	<u>46,562</u>	<u>1,538,068</u>	<u>1,584,630</u>	<u>1,374,848</u>

	2016 £	2015 £
Analysis of support costs		
Support staff costs	131,755	119,645
Depreciation and amortisation	56,482	44,287
Premises costs	102,391	87,283
Other support costs	200,743	140,140
Governance costs	27,848	23,427
	<u>519,219</u>	<u>414,782</u>

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff

Staff costs

Staff costs during the period were:

	2016 £	2015 £
Wages and salaries	739,901	704,474
Social security costs	44,187	43,608
Other pension costs	133,109	110,083
	<u>917,197</u>	<u>858,165</u>
Supply teacher costs	94,085	43,511
Staff restructuring costs	9,459	-
Staff development and other staff costs	23,266	39,761
	<u>1,044,007</u>	<u>941,437</u>

Non statutory/non contractual staff severance payments

Included in staff restructuring costs is a payment of a non-statutory/non-contractual severance payment of £1,700 (2015: £nil).

Staff numbers

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	2016 Number	2015 Number
Teachers	12	12
Administration and support	21	25
Management	5	4
	<u>38</u>	<u>41</u>

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2016 Number	2015 Number
Teachers	10	10
Administration and support	12	12
Management	5	4
	<u>27</u>	<u>26</u>

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff

(Continued)

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - 70,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £274,422 (2015: £227,801)

9 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The chief executive officer and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of chief executive officer and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows: R Colquhoun (Chief Executive Officer): Remuneration (excluding pension) £65,000 - £70,000 (2015: £55,000 - £60,000), Employers' Pension Contributions £10,000 - £15,000 (2015: £5,000 - £10,000).

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 (2015: £2,000,000) on any one claim and the cost for the year ended 31 August 2016 was £632 (2015: £673). The cost of this insurance is included in the total insurance cost.

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2015	1,795,464	17,991	125,528	1,938,983
Additions	15,686	1,065	67,943	84,694
At 31 August 2016	1,811,150	19,056	193,471	2,023,677
Depreciation				
At 1 September 2015	25,560	4,745	13,982	44,287
Charge for the year	27,231	6,110	23,141	56,482
At 31 August 2016	52,791	10,855	37,123	100,769
Net book value				
At 31 August 2016	1,758,359	8,201	156,348	1,922,908
At 31 August 2015	1,769,904	13,246	111,546	1,894,696

12 Stocks

	2016 £	2015 £
Educational supplies	3,174	3,058

13 Debtors

	2016 £	2015 £
VAT recoverable	9,795	42,173
Prepayments and accrued income	41,491	44,951
	51,286	87,124

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	54,364	55,210
Other taxation and social security	15,791	15,459
Accruals and deferred income	47,418	33,298
	117,573	103,967

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15	Deferred income	2016 £	2015 £
	Deferred income is included within:		
	Creditors due within one year	30,940	25,418
	Deferred income at 1 September 2015	25,418	-
	Released from previous years	(25,418)	-
	Amounts deferred in the year	30,940	25,418
	Deferred income at 31 August 2016	30,940	25,418

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals, trip income, nursery fees and school clubs all of which relate to the 2016/17 academic year.

16	Funds	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
	Restricted general funds					
	General Annual Grant	-	1,196,297	(1,260,411)	64,114	-
	Other DfE / EFA grants	-	123,294	(123,294)	-	-
	Other government grants	-	81,881	(81,881)	-	-
	Funds excluding pensions	-	1,401,472	(1,465,586)	64,114	-
	Pension reserve	(367,000)	-	(16,000)	(223,000)	(606,000)
		<u>(367,000)</u>	<u>1,401,472</u>	<u>(1,481,586)</u>	<u>(158,886)</u>	<u>(606,000)</u>
	Restricted fixed asset funds					
	DfE / EFA capital grants	7,600	7,683	(2,006)	-	13,277
	Inherited funds	1,857,346	-	(43,449)	-	1,813,897
	Capital expenditure from GAG	29,750	-	(11,027)	59,769	78,492
		<u>1,894,696</u>	<u>7,683</u>	<u>(56,482)</u>	<u>59,769</u>	<u>1,905,666</u>
	Total restricted funds	<u>1,527,696</u>	<u>1,409,155</u>	<u>(1,538,068)</u>	<u>(99,117)</u>	<u>1,299,666</u>
	Unrestricted funds					
	General funds	<u>74,627</u>	<u>100,719</u>	<u>(46,562)</u>	<u>(123,883)</u>	<u>4,901</u>
	Total funds	<u>1,602,323</u>	<u>1,509,874</u>	<u>(1,584,630)</u>	<u>(223,000)</u>	<u>1,304,567</u>

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

(Continued)

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

General Annual Grant

The General Annual Grant (GAG) funds have been spent in line with the terms of the Master Funding Agreement. Under this funding agreement, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other DfE/EFA grants

This includes the pupil premium funding, Universal Infant Free School Meals funding and the PE and sports grant.

The pupil premium is additional funding given to academies so that they can support their disadvantaged pupils and close the gap between them and their peers.

The Universal Infant Free School Meals grant is to provide free school meals for all infant pupils.

The PE and sports grant was funding received to support the sporting facilities of the academy.

Other government grants

This includes Early Years and High Needs funding issued to the academy by Rotherham Metropolitan Borough Council.

The Early Years funding is to support the Early Years provision of the academy.

The High Needs funding is to support pupils with additional needs.

The academy trust has made a transfer of £59,769 (2015: £31,827) from the restricted GAG fund to the restricted fixed asset fund for the additional capital expenditure in excess of the Devolved Formula Capital grant.

The academy trust has made a transfer of £123,883 (2015: £16,788) from unrestricted funds to restricted funds for the excess of in year expenditure over income.

The restricted pension fund is in deficit to the value of £606,000 (2015: £367,000). However a significant portion of this deficit was inherited upon conversion to academy status. The trustees will continue to monitor this situation closely.

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	1,922,908	1,922,908
Current assets	13,401	89,020	2,811	105,232
Creditors falling due within one year	(8,500)	(89,020)	(20,053)	(117,573)
Defined benefit pension liability	-	(606,000)	-	(606,000)
	<u>4,901</u>	<u>(606,000)</u>	<u>1,905,666</u>	<u>1,304,567</u>

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2016 £	2015 £
Net income/(expenditure) for the reporting period	(74,756)	1,628,323
Adjusted for:		
Net deficit/(surplus) transferred on conversion	-	(1,636,580)
Capital grants from DfE/EFA and other capital income	(7,683)	(7,677)
Investment income	(128)	(114)
Defined benefit pension costs less contributions payable	2,000	3,000
Defined benefit pension net finance cost/(income)	14,000	11,000
Depreciation of tangible fixed assets	56,482	44,287
(Increase)/decrease in stocks	(116)	(3,058)
(Increase)/decrease in debtors	35,838	(87,124)
Increase/(decrease) in creditors	(3,636)	103,967
Net cash provided by operating activities	22,001	56,024

19 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	10,146	11,523
Amounts due in two and five years	15,691	29,736
	25,837	41,259

20 Members' liability

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

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and that of the LGPS related to the period ended 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The most recent valuation of the TPS was as at March 2016, whereupon the employers contribution rate was reassessed. The revised employer contribution rate will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £79,245 (2015: £66,552).

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 Pensions and similar obligations

(Continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 5.5 to 12.5% for employers and 13.5% for employees. The estimated value of employer contributions for the forthcoming year is £48,000.

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

Total contributions made	2016 £	2015 £
Employer's contributions	46,000	35,000
Employees' contributions	13,000	11,000
Total contributions	59,000	46,000

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.65	4.05
Rate of increase for pensions in payment	1.90	2.30
Discount rate	2.20	4.00
Inflation assumption (CPI)	2.00	2.30

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

	2016 Years	2015 Years
Retiring today		
- Males	23.0	23.0
- Females	25.7	25.6
Retiring in 20 years		
- Males	25.4	25.3
- Females	28.5	28.4

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 Pensions and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2016 Fair value £	2015 Fair value £
Equities	130,000	98,000
Government	33,000	24,000
Other bonds	14,000	10,000
Cash/liquidity	4,000	3,000
Property	24,000	19,000
Other assets	17,000	12,000
Total market value of assets	222,000	166,000
Actual return on scheme assets - gain/(loss)	35,000	4,000
Amounts recognised in the statement of financial activities	2016 £	2015 £
Current service cost (net of employee contributions)	47,000	37,000
Net interest cost	14,000	11,000
Administration expenses	1,000	1,000
Total operating charge	62,000	49,000
Changes in the present value of defined benefit obligations	2016 £	2015 £
Obligations at 1 September 2015	533,000	-
Obligations acquired on conversion	-	443,000
Current service cost	47,000	37,000
Interest cost	21,000	16,000
Employee contributions	13,000	11,000
Actuarial loss	252,000	26,000
Benefits paid	(38,000)	-
At 31 August 2016	828,000	533,000

THE GRANGE TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

21 Pensions and similar obligations

(Continued)

Changes in the fair value of the academy trust's share of scheme assets	2016	2015
	£	£
Assets at 1 September 2015	166,000	-
Assets acquired on conversion	-	116,000
Interest income	7,000	5,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain	29,000	-
Employer contributions	46,000	35,000
Employee contributions	13,000	11,000
Benefits paid	(38,000)	-
Plan introductions, benefit changes, curtailments and settlements	(1,000)	(1,000)
At 31 August 2016	<u>222,000</u>	<u>166,000</u>

22 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration already disclosed in note 9.

23 Reconciliations on adoption of FRS 102

The transition to FRS 102 affected the figures reported for the comparative period under previous UK GAAP for funds and net income or expenditure, as follows.

Reconciliation of net income for the previous financial period

	2015
	£
Net income as reported under previous UK GAAP	1,631,323
Adjustments arising from transition to FRS 102:	
Pension deficit restatement from FRS17 to FRS102	(3,000)
Net income reported under FRS 102	<u>1,628,323</u>

Notes to reconciliations on adoption of FRS 102

Pension deficit restatement

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenses. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the expense by £3,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.