Company Registration No. 08277622 (England and Wales)

FULWELL INFANT SCHOOL ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

FULWELL INFANT SCHOOL ACADEMY

CONTENTS

FULWELL INFANT SCHOOL ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Members	A Kingston L Culkin L Kennedy B Middleton H Hartnack L Hayton (until 28.04.2016) L Rylance (until 20.02.2016)
Trustees	H Hartnack (Chair) L Hayton (Vice Chair) (Resigned 5 November 2015) W Angus (Accounting Officer) T Hope J Colclough E Dunbar F Cooke K Graham (Resigned 28 April 2016) L Kennedy H Akien Dr A Jackson R Thompson A Kingston L Culkin B Middleton P Nord A Blakelock K Hern
Senior management team	
- Executive Headteacher	W Angus
- Deputy Headteacher	L Green
Company registration number	08277622 (England and Wales)
Registered office	Ebdon Lane Fulwell Sunderland Tyne & Wear SR6 8ED
Independent auditor	Baldwins Audit Services Limited Wynyard Park House Wynyard Avenue Wynyard TS22 5TB
Bankers	Lloyds Bank plc 5th Floor 102 Grey Street Newcastle upon Tyne NE1 6AG

Solicitors	BHP Law LLP Gloucester House 72 Church Road Stockton on Tees TS18 1TW

The trustees present their annual report together with the accounts and independent 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.

The trust operates an academy for pupils aged 3 to 7 serving a catchment area in Sunderland North. It has a pupil capacity of 270 in school and 90 part-time in nursery. The total number on roll is 267 and 92 as at the last census in May 2016.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee with no capital share (registration number 08277622) and an exempt charity under the Academies Act 2010. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. Directors of the charitable company are nominated by either the Secretary of State for Education or by the members.

The trustees of the Academy are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Fulwell Infant School Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Details.

The full Governing Body meets at least once a term. The work of the Governing Body is delegated to Sub Committees that are formerly constituted with terms of reference.

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.

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 may be 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 reckless 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.

Method of recruitment and appointment or election of trustees

The Governing Body comprises three categories of governor as set out in the Articles of Association. The Articles of Association of the Academy state that Members may appoint up to 8 Governors.

Members may appoint Staff Trustees through such process as they may determine, provided that the total number of Trustees including the Principal who are employees of the Academy Trust does not exceed one third of the total number of Trustees. The Head teacher is treated as an ex officio Trustee.

Parent Trustees shall be elected by parents of registered pupils at the Academy. A parent governor must be a parent of a pupil at the Academy at the time they are elected. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of a Parent Trustee shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post, or if preferred their ballot paper returned to the Academy Trust by a registered pupil.

Where a vacancy for a Parent Trustee is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person known 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 they are entitled to stand as a candidate, and given every opportunity to do so.

Governors may appoint up to 3 Co-opted Trustees, a Co-opted Trustee means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed.

The term of office for any Trustees shall be 4 years, subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected. The Secretary of State may also appoint additional Trustees if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for each new Trustee will depend on their existing experience. The Academy Trust purchases support in that provides for individual and full Governing Body training through an annual Course Directory which is reviewed each year to reflect any changes in practice and legislation.

New trustees are provided with an induction pack and are issued with a copy of the Code of Practice for Members of the Governing Body which covers the Seven Principles of Public Life (the Nolan Principles) which are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Trustees attend 'Introduction to Governor' training and other courses relevant to their specific areas of interest and the committees they wish to sit on or wish to join. Trustees are invited to attend staff training days where subjects covered are relevant.

Organisational structure

The Academy Trust holds an annual general meeting every year in addition to any other meetings in that year. The trustees hold at least 3 meetings in every school year, normally once each term. The trustees establish an overall framework for the governance of the academy and determine membership, terms of reference and procedures of committees. Trustees are responsible for setting general policy, adopting an annual plan and budget, approving statutory accounts, monitoring the academy by the use of budgets and other data, making decisions about the direction of the academy, capital expenditure and staff appointments.

Trustees are responsible for the proper stewardship of trust funds and for ensuring economy, efficiency and effectiveness in their use – the three key elements of value for money. It must also ensure that it uses its discretion reasonably, and takes into account any and all relevant guidance on accountability or propriety.

Trustees have delegated the day to day responsibility to the Principal, as Accounting Officer they have specific responsibilities for financial matters and is personally responsible to Parliament and the Accounting Officer of the EFA. They have a personal responsibility for Regularity, Propriety and Value for Money.

These are the following committees:

- Finance Premises & Audit Committee – meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements.
- Personnel Committee – meets on a termly basis or as and when required ensuring that all procedures relating to the recruitment, selection and appointment of all staff in school meet statutory and safeguarding requirements. Approve and keep under review all HR related policies of the academy.
- Standards/Curriculum Committee – meets on a termly basis to monitor, evaluate and review academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment. To ensure the curriculum meets statutory requirements, to monitor the impact of curriculum planning and policies on pupil progress with particular reference to individual groups.
- The following committees meet as required: Attendance, Appeals, Performance Management and Complaints.

The Academy has a leadership structure which consists of the Trustees, the Senior Leadership (SLT) and Senior Management Team (SMT). The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The financial reporting structure is illustrated below

Board of Trustees

|

Finance Premises & Audit Committee

|

Accounting Officer / Principal

|

Systems Manager (Finance Director)

|

Business Manager

Arrangements for setting pay and remuneration of key management personnel

The Academy Trust is committed to taking all relevant decisions in accordance with the principles of public life as listed in DFE guidance (namely objectivity, openness and accountability).

Pay decisions at this academy trust are made by the Governing Body which has delegated certain responsibilities and decision making powers to the personnel committee and the Principal.

The personnel committee is responsible for the establishment and review of the pay policy subject to approval of the Governing Body.

Decisions relating to pay will at all times be made with reference to achievement against performance objectives, standards and career stage expectations.

The Governing Body will annually review the salaries of the members of the Leadership Group in accordance with paragraph 11 of the STCPD. All decisions regarding pay progression will be related to the individual's performance and appraisal reports.

Where the evidence demonstrates sustained high quality of performance, the Governing Body will consider the award of one point. Where the evidence shows exceptional performance, the Governing Body may consider the use of its flexibilities to pay enhanced pay progression up to the maximum of two additional points.

In accordance with paragraph 10 of the STCPD, the Governing Body will consider awarding an additional payment to the Principal only for clearly temporary responsibilities or duties that are in addition to the post for which the salary has been determined. External independent advice will be sought before deciding whether or not to proceed.

Staff Governors and the Principal receive remuneration in respect of services they provide in their capacity as an employee under their contracts of employment, and not in respect of their role as a trustee.

The Academy Trust recognises that while governors are volunteers, they do incur costs in the course of carrying out their duties. Allowances may only be paid if the costs are wholly and necessarily incurred in carrying out their duties as a governor or representative of the academy (mainly travelling expenses).

During the period ended 31 August 2016 travelling expenses totalling £72.45 were paid to 1 trustee.

Related parties and other connected charities and organisations

Fulwell Infant School Academy is a stand-alone Academy and not part of a Multi-Academy Trust. There are no related parties which either control or significantly influence the decisions and operations of Fulwell Infant School Academy Trust.

Objectives and activities

Objects and aims

The principal objective and activity of Fulwell Infant School Academy is the education of all pupils between the ages of 3-7.

Objectives, strategies and activities

The Academy Trust's principal activities are to provide each child with an education that will equip them to become responsible citizens, to make informed choices having both self respect and respect for others. In addition to this we firmly believe in providing all children with a wide range of opportunities, sporting, musical, cultural, recreational and social. Our mission is to create a safe, stimulating and happy learning environment within which every child is able to realise their potential.

In order to achieve this, we will:

- Deliver a broad and balanced curriculum, with an emphasis on the core subjects that supports the development of every child towards fulfilling their potential
- Encourage children to be respectful, compassionate and honest in all their relationships
- Encourage children to develop an understanding and respect of individual differences
- Consistently apply our policies in support of the above.
- Develop the partnership with all Parents and the community in the life of the Academy
- Create and maintain good links with our Junior School and feeder schools to provide a seamless education for our children.
- Provide opportunities for personal and professional development for all who work in the Academy.

The objectives for the period September 2015-August 2016 were as follows:

- Maintain percentage of children reaching the expected standard as in previous years against the introduction of SPaG and introduction of the new curriculum with higher expectations.
- To introduce the mastery approach to the teaching of Maths including CPA (concrete, pictorial and abstract).
- To secure the performance of children at the expected level at maths increasing confidence to tackle problems through CPA.
- To continue to support schools in need to raise standards for their pupil population, to share best practice and develop partnerships.
- To ensure progression in reading strategies through improving provision of books. To narrow the gap between boys and girls.
- To trial the new baseline and focus on developing the language of our youngest children.
- To moderate standards with other schools.
- To build a community room that will provide a library for the children and raise the profile of reading even further.

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 powers or duties. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all pupils in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

Strategic report

Achievements and performance

On the 1st and 2nd July 2014, the academy was inspected by ofsted. Three inspectors spent 2 days in school, evaluating achievement, teaching, behaviour and safety and leadership and management. The report states:

Overall effectiveness	Previous inspection:	Not previously inspected	
	This inspection:	Outstanding	1
Achievement of pupils		Outstanding	1
Quality of teaching		Outstanding	1
Behaviour and safety of pupils		Outstanding	1
Leadership and management		Outstanding	1

This is an outstanding school.

- By the end of Year 2, pupils reach levels of attainment in reading, writing and mathematics which are significantly above average. Pupils of all ages make rapid progress from their broadly typical starting points and learn exceptionally well.
- The achievement of the most able pupils is excellent. A well above average proportion of pupils reach the higher levels of attainment.
- The performance of pupils supported by the pupil premium has improved rapidly. They now achieve very well.
- The specialised help and support for disabled pupils and those special educational needs ensures that they make rapid gains in learning.
- Pupils, parents and staff say that teaching and learning is first rate and inspectors agree.
- Pupils receive excellent learning experiences, which are adapted very well to their varying needs and abilities. Occasionally, however, a few pupils complete too much of the same work rather than quickly moving onto more difficult work as soon as they are ready.
- The behaviour of pupils is excellent. They are considerate, polite and friendly. Their attitude towards learning is very positive and they waste little time in getting down to their schoolwork.
- Pupils are very proud of their school and of their accomplishments, as shown by the care they take with the presentation of their work.
- Pupils not only say they feel safe but prove it by their excellent knowledge about the dangers associated with computers and mobile phones.
- The headteacher and senior staff have improved the achievement of pupils and managed the quality of teaching extremely well. The school continues to improve quickly.
- A highly imaginative curriculum is tailored especially well to meet pupils' varying needs. Pupils' musical and artistic talents are particularly well promoted. Pupils' basic literacy and numeracy skills develop rapidly due to excellent opportunities to practise their skills across all aspects of their learning.
- The governing body has an excellent grasp of the school's strengths. Governors hold leaders to account, including ensuring the performance of teachers is exceptionally well managed.

Key performance indicators

The Academy continues to be oversubscribed with 192 applications for a 90 place Reception class for September 2016.

KEY STAGE 1 ASSESSMENT INFORMATION 2016

This group of children entered nursery with skills in line with what was expected nationally. Personal, social and emotional development was a strength although their independence and basic skills in writing and number were a particular concern. There were an additional 10 children joined this year group after their school start. In some cases, this was in response to perceived failings in neighbouring schools. From this average starting point they have made consistently good progress to reach standards above those of their peers nationally.

Pupil number (Pupil %)

ALL CHILDREN	BELOW	EXPECTED	GREATER DEPTH
Reading	10 (11%)	45 (52%)	31 (36%)
Writing	12 (14%)	50 (58%	24 (28%)
Mathematics	10 (11%)	50 (58%)	26 (30%)

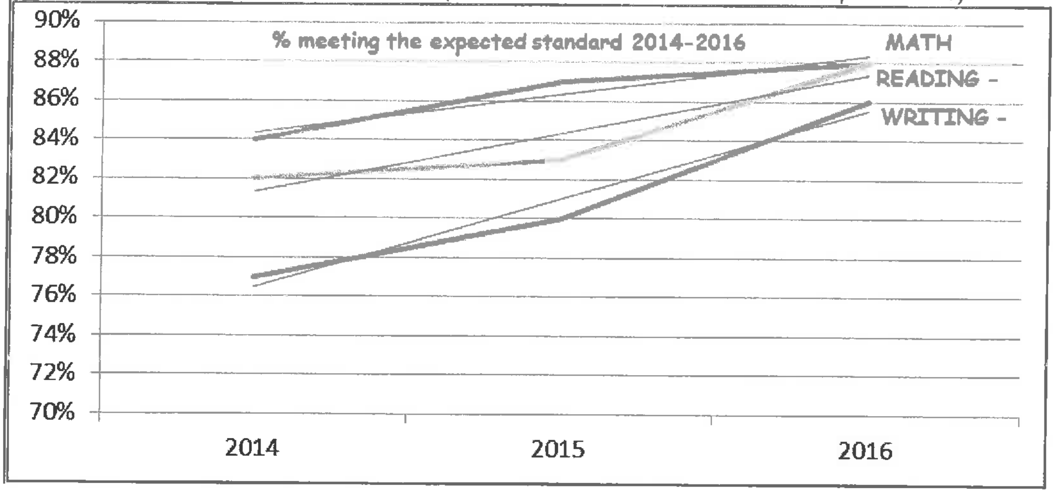
Factors influencing results

- 86 children in the year group
- 10 children with SEN – 2 with EHCP and 8 at school support (10% SEN)
- 16 children accessing PP funding (18.6%) 12 FSM (14%)
- 1 looked after child admitted September 2015
- 1 previously looked after child
- 4 EAL children (5%)
- 32 summer born children (37%)
- 40 boys (46 girls) 47% boys and 53% girls

ATTAINMENT and STANDARDS

APS SCORES	SCHOOL 2014	National	SCHOOL 2015	National	SCHOOL 2016	National
ALL SUBJECTS	17	15.9	**17.1**	16.1	87%	
READING	17.5	16.5	**17.6**	16.6	88%	
WRITING	16.5	15.1	**16.4**	15.3	86%	
MATHS	17	16.2	**17.3**	16.4	88%	
1 year judgment	Again, AS above although the difference has reduced as standards nationally improved and our results dipped marginally. Writing improved. All subjects sig+.		Reading maintained at 17.5, writing dipped slightly by 0.2 despite being significantly above. Maths improved to 17.3		These TA assessments were lower than the test performance of the children.	
3 year judgment	It is not possible to make a 3 year judgement following the raising of expectations and new assessment system.					

ATTAINMENT TRENDS - 2014-2016 (% of children at/above national expectations)



NATIONAL COMPARISONS - GROUP ATTAINMENT 2016

SCHOOL DATA FOR 2016: (Percentages)

ATTAINMENT OF GROUPS 2016: (Expected +)

% LEVELS	L2+ 2014 (Nat 2014)		L3+ 2014 (Nat 2014)		L2+ 2015 (Nat 2015)		L3+ 2015 (Nat 2015)		Expected + 2016	Greater Depth 2016
READING	97	(90)	41	(31)	94	(90)	40	(32)	88	36
WRITING	92	(86)	28	(16)	92	(88)	28	(18)	86	28
MATHS	97	(92)	28	(24)	97	(93)	41	(26)	88	30
NOTES	Standards compared to 2B+ in previous years have improved slightly for this able year group. This is in all 3 subjects.									

PROGRESS MEASURES – 2014 -2016 Year 2

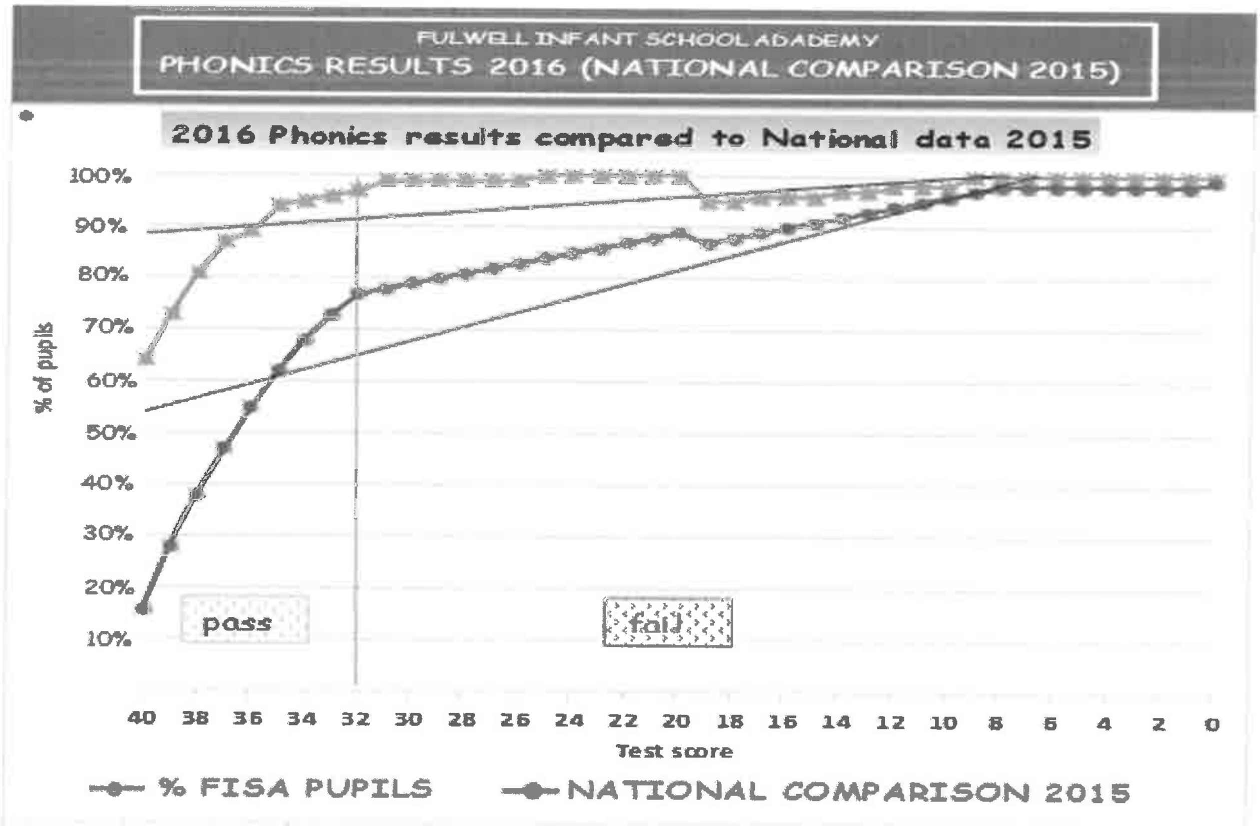
GOOD progress we judge to be 1+ points a term, 3+ points a year. Outstanding progress is greater than 3.2 points a year and greater than 7 points across key stage 1 (Year 1 and year 2).

The results for year 2 progress are in the table below.

	86	40	46	11	10	4	11	4	32
	ALL PUPILS	BOYS	GIRLS	PP	SEN	EAL	G&T	LA	SUMMER BORN
READING	3.2	3.2	3.2	3.2	4.3	3.6	3.1	3.8	3.3
WRITING	3.3	3.3	3.3	3.1	4.2	3.8	3.2	4	3.3
MATHS	3.3	3.2	3.3	3.2	4.1	3.0	3.2	4	3.3
ALL	3.3	3.2	3.3	3.2	4.2	3.3	3.2	3.9	3.3

PROGRESS JUDGEMENT

Progress of all groups of learners, including the vulnerable groups is judged to be outstanding as judged by data scores and supported by the evidence in workbooks. The G&T group have made outstanding progress although their data was capped by the scores on entry to year 2. The progress made by the SEN group, the LA and EAL groups (except in maths) are particularly noted as the gap was seen to narrow significantly.



TOTAL SCORE	% FISA PUPILS	NATIONAL COMPARISON (2014)
40	64%	16%
39	73%	28%
38	81%	38%
37	87%	47%
36	89%	55%
35	94%	62%
34	95%	68%
33	96%	73%
32	97%	77%
31	99%	78%
30	99%	79%
29	99%	80%
28	99%	81%
27	99%	82%
26	99%	83%
25	100%	84%
24	100%	85%
23	100%	86%
22	100%	87%
21	100%	88%
20	100%	89%

TOTAL SCORE	% FISA PUPILS	NATIONAL COMPARISON (2013)
19	100%	90%
18	100%	91%
17	100%	92%
16	100%	93%
15	100%	94%
14	100%	94%
13	100%	94%
12	100%	94%
11	100%	94%
10	100%	94%
9	100%	94%
8	100%	94%
7	100%	94%
6	100%	94%
5	100%	94%
4	100%	94%
3	100%	94%
2	100%	94%
1	100%	94%
0	100%	95%

This is a measure of the ability to segment and blend rather than comprehend a text as in the year 2 reading tests. The children did exceptionally well this year with only 3 children scoring below 32 marks – the pass mark in previous years.

Raising of standards in year 2 and reception. With the governments agenda of raising expectations for 7yr olds, this cohort did exceptionally well in response to teaching to achieve 88% at the expected standard in reading and maths and 86% at the expected standard in writing. The reception cohort achieved 82% good level of development comparing very favourably with 2015 national percentage of 66.5%.
The introduction of the Inspire Maths Program following all KS1 staff accessing 5 days training across the year. The impact of this strategy could be seen in the accelerated progress of children in maths and the end of year standards.
Year 1 children performed exceptionally well in the national phonics screen with all bar there children passing the screen 64 children full scored. The pass rate of 97% is the highest ever achieved at this academy.
The standards evident in children's workbooks throughout school are of the highest standard and we used to exemplify achievement with many other schools throughout this year.

Going concern

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

Financial review

Financial and Risk Management Objectives and Policies

The main sources of income for the Academy are grants from the Education Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives Early Years grant funding and Special Educational Needs Funding for High needs pupils, the use of which is also restricted to particular purposes.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Statement of Recommended Practice 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 useful life of the assets concerned as defined in the Academy's accounting policies.

During the year ended 31 August 2016, total expenditure of £1,566,968 was covered by recurrent grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the year (excluding fixed asset funds) was £90,553.

At 31 August 2016 the net book value of fixed assets was £2,741,763. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Reserves policy

The Governing Body is responsible for determining the level of financial reserves to be carried forward at the end of each financial year (31 August).

The Academy's free reserves are its funds after excluding restricted funds. Free reserves are therefore the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure.

The Academy held fund balances as at 31 August 2016 of £2,202,057 comprising of restricted and unrestricted funds.

This comprises of £96,602 of unrestricted funds, restricted general reserves of £152,692 (excluding the impact of the deficit on the LGPS pension scheme) and £2,741,763 of restricted fixed asset reserves.

Governors review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Governors will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The governors have determined that the appropriate level of free reserves should be equivalent to at least 1 month's cash in hand as working balances to cover salaries and monthly expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

Academy Trusts reserves have been used in 2015-2016 to provide a library for the whole school and to refurbish staff toilets.

Future projects to consider as it is likely the academy will be unsuccessful in securing Capital Maintenance Funding will be to replace ceilings and install energy efficient LED lighting throughout and look at replacing the rubber soft pour surface in the reception playground.

Investment policy and powers

The Academy will operate an interest bearing current account with a bank approved by the Governing Body and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments. Our aim is to spend the publicly funded monies with which we are entrusted for the direct educational benefit of students as soon as is prudent. The academy does not consider the investment of surplus funds as a primary activity, rather it is the result of best practice as and when circumstances allow. Monies surplus to the working requirements will be invested short term only.

The Academy has no funds invested as at 31 August 2016.

Principal risks and uncertainties

The Trust has a Risk Register and Risk Management strategy which is reviewed on an annual basis.
Governors have assessed the major risks to which the Academy is exposed, in particular those relating to strategic, operational and finance. Trustees have implemented a system to assess risks that the school faces, especially in the operational areas which includes teaching and health and safety and in relation to the control of finance. Trustees have introduced systems, including operational procedures and internal financial controls in order to minimise risk.

The Principal risks and uncertainties continue to arise from the rapid pace of change in the educational landscapes arising from the change in government and the development of the Academies framework. As an outstanding school the demand for places in reception continues to increase, however data has shown of a decline in the birth rate over the next few years. Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, possible changes in school funding formula, funding arrangements for special educational needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Finance and Premises Committee meetings. The trustees also ensure sufficient funds are held to cover all known and anticipated commitments.
Pupil numbers remain the key driving force behind funding and the academy will continue to make every effort to ensure our numbers continue to remain stable.

In addition the trust is a member of the Local Government Pension Scheme (LGPS) which results in the recognition of a significant liability on the trusts balance sheet. The employer contribution rate is currently set at 15.6% plus liabilities totalling £72k paid over a three year period from 2014 to 2017. In line with LGPS regulations the funds actuarial positions are reviewed every three years and is due to be renewed April 2017. It is anticipated that all employers in the local government pension scheme are likely to face an increase. This risk is wholly outside of the control of the trust but we will carefully review the level of exposure to the pension fund deficit.

Plans for future periods

The academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy Trust expects both pupil numbers and staffing to be stable. Budget forecasts have been submitted to the EFA within the required timescale, Governors in partnership with the Head teacher have prepared an Academy development plan which considers the aims and objectives for the forthcoming year.

The Academy will continue to explore the possibility of joining or becoming a multi academy trust. Ideally, the MAT will have no 'lead school' all schools in the MAT would each continue to have their own headteacher and Governing Body. All schools within the MAT will retain their individual identities but all schools would share the same broad vision, together with a clear commitment to work together.

We will continue to work with partner schools to improve the educational opportunities for pupils in the wider community.

To use the reserves held in an efficient manner to look at replacing ceilings and install energy efficient led lighting throughout the school.

Funds held as custodian trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

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

The Trustees' Annual Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on ....6|12|16...... and signed on its behalf by:

...H. Hartnack...........

H Hartnack

Chair

FULWELL INFANT SCHOOL ACADEMY

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Fulwell Infant School Academy 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 13 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
H Hartnack (Chair)	3	5
L Hayton (Vice Chair) (Resigned 5 November 2015)	1	1
W Angus (Accounting Officer)	5	5
T Hope	5	5
J Colclough	5	5
E Dunbar	3	5
F Cooke	5	5
K Graham (Resigned 28 April 2016)	0	4
L Kennedy	3	4
H Akien	4	5
Dr A Jackson	4	4
R Thompson	3	5
A Kingston	0	0
L Culkin	0	0
B Middleton	0	0
P Nord	0	1
A Blakelock	4	4
K Hern	3	3

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Provide assurance over the sustainability of and compliance with its financial systems and controls.
- Review detailed budget and management accounts (including variance analysis).
- Appraise financial performance and report back to the full Governing Body.
- Review Risk Management Procedures
- Oversee statutory compliance in areas related to the specific work of the Personnel, Health & Safety, Premises and Finance Committees.

Attendance during the year at meetings of the Finance and Audit Committee were as follows:

Trustees	Meetings attended	Out of possible
H Hartnack (Chair)	4	4
L Hayton (Vice Chair) (Resigned 5 November 2015)	3	4
W Angus (Accounting Officer)	4	4
T Hope	4	4
F Cooke	4	4

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
H Hartnack (Chair)	4	4
L Hayton (Vice Chair) (Resigned 5 November 2015)	1	1
W Angus (Accounting Officer)	4	4
T Hope	4	4
J Colclough	4	4
K Graham (Resigned 28 April 2016)	0	4

Attendance during the year at meetings of the Personnel ands Standards Committee were as follows:

Trustees	Meetings attended	Out of possible
Mrs Hilary Aiken	0	1
Mrs Wendy Angus	1	1
Mrs Janet Colclough	0	1
Mrs Jenny Cooke	0	1
Mrs Eve Dunbar	1	1
Mrs Hilary Harknack	1	1
Mrs Theresa Hope	1	1
Mr Anthony Jackson	0	1
Mrs Rachel Thompson	0	1

Attendance during the year at meetings of the Curriculum Committee were as follows:

Trustees	Meetings attended	Out of possible
Mrs Wendy Angus	2	2
Mrs Hilary Harknack	2	2
Mrs Eve Dunbar	1	2
Mrs Theresa Hope	2	2
Mrs Janet Colclough	0	2
Mrs Kathryn Graham (resigned)	0	1
Mr Les Hayton (resigned)	0	1
Mr Anthony Jackson	1	1
Mrs Rachel Thompson	1	1

On the 1st and 2nd July 2014, the academy was inspected by ofsted. Three inspectors spent 2 days in school, evaluating achievement, teaching, behaviour and safety and leadership and management. The summary of findings within Leadership and management were judged to be outstanding.

The governance of the school:

The governing body is extremely well informed regarding how well pupils are performing, including those eligible for the pupil premium. Senior members of the governing body have a professional background in education enabling them to be acutely aware of the quality of teaching on offer. Subject leaders, as well as the headteacher, write regular informative reports, and members of the governing body visit lessons to look at the quality of pupils' work. As a result, they are very well placed to offer support and challenge in equal measure.
The governors insist on making sure that central to any extra remuneration for teachers is a link to their performance, their overall contribution to the school and to pupils' achievement. A dedicated governor responsible for safeguarding ensures that governors thoroughly monitor the policies and school's procedures and that the school's arrangements to safeguard pupils meet government requirements.

The trust has recently undergone a restructure to its members and have recently increased from 3 to 5 bringing with them experience in Business, Legal, HR, Finance and Education.

All members of the Governing Body and staff complete a Register of Business Interests form on an annual basis. Business interests of governors and senior leaders are published on the academy's website.

Review of Value for Money

I accept that as accounting officer of Fulwell Infant School Academy I am responsible and accountable for ensuring that the trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the academy trust's use of its resources has provided good value for money during the academic year.

Value for Money Report

The academy trust has focussed on targeted improvement linked to the Academy Improvement Plan to ensure maximum impact for pupils. This has included ensuring that the academy is delivering the new curriculum fully and correctly and in an engaging way which enable its pupils to thrive.
The investment in the curriculum is an element of the budget which has a direct impact on outcomes for pupils. We strive to ensure that funding is allocated direct to curriculum areas to ensure that a diverse and stimulating

Specific examples include:

- Significant development work in implementation of the new national curriculum, including both core and other subjects
- The staffing structure is regularly reviewed to ensure staff are efficiently deployed and are appropriately qualified and experienced.
- Sports funding continues to be used to provide enriching opportunities for children, extra sport opportunities at lunchtimes and before/after school clubs, and to provide good quality training for staff.
- A new library embedding reading strategies through improving provision of books.
- Regular maintenance and refurbishment to the fabric of the building ensures an attractive and stimulating environment is provided for the pupils. The heating replacement, for example, has significantly improved the learning environment for pupils and staff, as well as generating energy saving costs and reducing an identified risk to the academy's operations if there had been a failure of the old system.

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 Fulwell Infant School Academy for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal 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 finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

In order to deliver assurance the academy trust has considered the need for a specific internal audit function and has appointed Sunderland City Council as internal auditor. Trustees agreed a programme of work carried out on an annual basis and an audit was carried out by Beth Foster in July 2016.

Introduction and Objectives

In accordance with the agreement between Fulwell Infant School Academy and Sunderland City Council for the provision of internal audit services, the above audit was recently completed.

The objective of the audit was to determine the level of assurance that can be provided on the Academy's governance and financial management arrangements.

The scope of the audit included a review of the following:

- Roles and responsibilities;
- Delegation arrangements;
- Awareness of and compliance with laid down rules and procedures (including compliance with the Academies' Financial Handbook);
- Anti-fraud and corruption measures;
- Financial planning, monitoring and reporting;
- Collection, recording and banking of income;
- Expenditure, including payroll administration; and
- Accounting arrangements.

Income and expenditure arrangements were reviewed through testing samples of transactions processed through the academy's main financial systems.

Key risks to the achievement of the objectives of the area under review were identified. The key controls to manage those risks were then identified, assessed for adequacy and tested to confirm whether they are operating as planned.

Discussions were held with Mrs T. Hope, Systems Manager.

Summary of Findings

It is pleasing to report that the findings of the audit are positive, with no recommended actions considered necessary as a result.

Roles and responsibilities
Governance arrangements are sufficiently robust. The Academy maintains an appropriate reporting structure with regular meetings of the Governing Body and Finance, Premises & Audit Committee. Meetings are well attended, with the minutes evidencing governor participation and decision-making.

The Academy's latest set of accounts including its governance statement has been presented to governors and has been published on their website. The Academies Financial Handbook 2015 introduced a number of new requirements including publishing up to date details of the governance arrangements at the Academy. This was found to be the case and the latest governor interests were updated on the website at the time of audit.

Delegation arrangements
The Academy has adopted the Local Authority's Terms of Reference for the operation of the Governing Body, Sub-Committees and the responsibilities key staff. This was reviewed as part of the visit and found to be appropriate.

Awareness of and compliance with laid down rules and procedures
The Academy has a detailed Financial Regulations Manual setting out the systems of financial control within the Academy. These include separation of duties within the purchasing and cash receipting processes. The Academy also has an appropriate Code of Conduct for its staff and a suitable policy regarding the receipt of gifts and hospitality.

Anti- fraud and corruption measures
The Academy has appropriate anti-fraud and corruption measures in place which include a full set of procedural documentation (including a whistleblowing policy) of which relevant staff are aware.

Financial planning, monitoring and reporting
Budget management arrangements are effective. The Systems Manager undertakes regular budget monitoring and the Academy's financial position is regularly reported to Governors.

Collection, recording and banking of income
Sample testing confirmed that income collected by the Academy is brought into account, consolidated appropriately and banked promptly and in its entirety.

Expenditure, including payroll administration
The Academy has appropriate arrangements in place to manage its expenditure. Testing on a sample of purchases confirmed that all were authorised in accordance with the Academy's Delegation Scheme. Discussions also confirmed all such purchases contributed towards the business of the Academy and evidence of seeking value for money in the selection of suppliers was also noted.

Payroll procedures are effectively applied, with adequate controls in place governing the appointment of new starters, leavers and changes to existing payroll information.
Accounting arrangements are also considered satisfactory with regular bank reconciliations taking place.

The findings of the audit give substantial assurance that the Academy Trust has effective governance and financial management arrangements in place. No issues were identified which could prevent the objectives of the academy being achieved. No recommendations were considered necessary.

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee and ensures continuous improvement of the system is in place.

Approved by order of the board of trustees on 6/12/16 and signed on its behalf by:

H. Hartnack

H Hartnack
Chair

W Angus

W Angus
Accounting Officer

FULWELL INFANT SCHOOL ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Fulwell Infant School Academy 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.

W Angus

W Angus
Accounting Officer

........6/12/16....

FULWELL INFANT SCHOOL ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who also act as governors for Fulwell Infant School Academy and are also the directors of Fulwell Infant School Academy for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education 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 ....6/12/16.......... and signed on its behalf by:

H. Hartnack

H Hartnack

Chair

FULWELL INFANT SCHOOL ACADEMY

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF FULWELL INFANT SCHOOL ACADEMY

We have audited the accounts of Fulwell Infant School Academy for the year ended 31 August 2016 set out on pages 29 to 50. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company 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 Trustees' Responsibilities Statement set out on page 24, the trustees, who are also the directors of Fulwell Infant School Academy 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 charitable company'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' Report including the incorporated strategic 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.

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF FULWELL INFANT SCHOOL ACADEMY (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.

Baldwins Audit Services Limited

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

Chartered Accountants
Statutory Auditor
Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

Dated: 7/12/16

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FULWELL INFANT SCHOOL ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 September 2016 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 Fulwell Infant School Academy 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 Fulwell Infant School Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Fulwell Infant School Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Fulwell Infant School Academy and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Fulwell Infant School Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Fulwell Infant School Academy's funding agreement with the Secretary of State for Education dated 1 December 2012 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.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FULWELL INFANT SCHOOL ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

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

Conclusion

In the course of our work, except for the matters listed below, 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.

Baldwins Audit Services Limited

Graham Fitzgerald BA FCA DChA
Reporting Accountant
Baldwins Audit Services Limited

Dated: 7/12/16

FULWELL INFANT SCHOOL ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	1,695	-	7,643	9,338	49,301
Charitable activities:						
- Funding for educational operations	3	5,762	1,516,084	-	1,521,846	1,526,923
Other trading activities	4	60,368	-	-	60,368	55,780
Investments	5	452	-	-	452	447
Total income and endowments		68,277	1,516,084	7,643	1,592,004	1,632,451
Expenditure on:						
Raising funds	6	54,293	-	-	54,293	53,300
Charitable activities:						
- Educational operations	7	-	1,439,515	73,160	1,512,675	1,520,026
Total expenditure	6	54,293	1,439,515	73,160	1,566,968	1,573,326
Net income/(expenditure)		13,984	76,569	(65,517)	25,036	59,125
Transfers between funds		-	(84,903)	84,903	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(511,000)	-	(511,000)	24,000
Net movement in funds		13,984	(519,334)	19,386	(485,964)	83,125
Reconciliation of funds						
Total funds brought forward as previously reported		82,618	(116,974)	2,409,377	2,375,021	2,604,896
Prior year adjustment	24	-	-	313,000	313,000	-
Total funds carried forward		96,602	(636,308)	2,741,763	2,202,057	2,688,021

FULWELL INFANT SCHOOL ACADEMY

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

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	-	12,285	37,016	49,301
Charitable activities:					
- Funding for educational operations	3	-	1,526,923	-	1,526,923
Other trading activities	4	55,780	-	-	55,780
Investments	5	447	-	-	447
Total income and endowments		56,227	1,539,208	37,016	1,632,451
Expenditure on:					
Raising funds	6	53,300	-	-	53,300
Charitable activities:					
- Educational operations	7	-	1,444,175	75,851	1,520,026
Total expenditure	6	53,300	1,444,175	75,851	1,573,326
Net income/(expenditure)		2,927	95,033	(38,835)	59,125
Transfers between funds		(20,948)	(86,388)	107,336	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	24,000	-	24,000
Net movement in funds		(18,021)	32,645	68,501	83,125
Reconciliation of funds					
Total funds brought forward		100,639	(149,619)	2,653,876	2,604,896
Total funds carried forward		82,618	(116,974)	2,722,377	2,688,021

FULWELL INFANT SCHOOL ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	2016 £	Restated 2015 £	Restated 2015 £
Fixed assets					
Tangible assets	11		2,741,763		2,722,377
Current assets					
Stocks	12	6,963		7,507	
Debtors	13	51,215		41,667	
Cash at bank and in hand		302,694		394,428	
		360,872		443,602	
Current liabilities					
Creditors: amounts falling due within one year	14	(101,644)		(194,024)	
Net current assets			259,228		249,578
Total assets less current liabilities			3,000,991		2,971,955
Creditors: amounts falling due after more than one year	15		(9,934)		(9,934)
Net assets excluding pension liability			2,991,057		2,962,021
Defined benefit pension liability	19		(789,000)		(274,000)
Net assets			2,202,057		2,688,021
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			2,741,763		2,722,377
- Restricted income funds			152,692		157,026
- Pension reserve			(789,000)		(274,000)
Total restricted funds			2,105,455		2,605,403
Unrestricted income funds	17		96,602		82,618
Total funds			2,202,057		2,688,021

The accounts set out on pages 29 to 50 were approved by the board of trustees and authorised for issue on ......6\12\16...... and are signed on its behalf by:

H. Hartnack
....
H Hartnack
Chair

Company Number 08277622

FULWELL INFANT SCHOOL ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Cash flows from operating activities					
Net cash provided by (used in) operating activities	20		(7,283)		219,353
Cash flows from investing activities					
Dividends, interest and rents from investments		452		447	
Capital grants from DfE and EFA		7,643		37,016	
Payments to acquire tangible fixed assets		(92,546)		(163,541)	
			(84,451)		(126,078)
Cash flows from financing activities					
Repayment of other loan		-		11,354	
			-		11,354
Change in cash and cash equivalents in the reporting period			(91,734)		104,629
Cash and cash equivalents at 1 September 2015			394,428		289,799
Cash and cash equivalents at 31 August 2016			302,694		394,428

1 Accounting policies

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

1.1 Basis of preparation

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

Fulwell Infant School Academy meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of Fulwell Infant School Academy prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

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

1.3 Income

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

Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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.

1 Accounting policies **(Continued)**

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

1 Accounting policies **(Continued)**

1.5 Tangible fixed assets and depreciation

Assets costing £500 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 straight-line basis over its expected useful life, as follows:

Land	Not depreciated
Buildings	50 years
Computer equipment	3 years
Fixtures, fittings and equipment	7 years

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

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

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

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

1.8 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

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 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 Fund accounting

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

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

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

1.12 Critical accounting estimates and areas of judgement

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

1 Accounting policies (Continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 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 £
Private sponsorship	-	-	-	12,285
Capital grants	-	7,643	7,643	37,016
Other donations	1,695	-	1,695	-
	1,695	7,643	9,338	49,301

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	1,057,560	1,057,560	1,083,830
Other DfE / EFA grants	-	142,836	142,836	157,093
	-	1,200,396	1,200,396	1,240,923
Other government grants				
Local authority grants	-	315,688	315,688	250,990
Other funds				
Catering income	5,762	-	5,762	-
Other incoming resources	-	-	-	35,010
	5,762	-	5,762	35,010
Total funding	5,762	1,516,084	1,521,846	1,526,923

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	3,451	-	3,451	1,886
Catering income	464	-	464	5,159
Educational visits	3,339	-	3,339	3,110
Uniforms	2,324	-	2,324	6,921
Other income	50,790	-	50,790	38,704
	60,368	-	60,368	55,780

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	452	-	452	447

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	935,473	-	52,008	987,481	968,688
- Allocated support costs	160,081	108,305	256,808	525,194	551,338
	1,095,554	108,305	308,816	1,512,675	1,520,026
Other expenditure					
Raising funds	23,846	-	30,447	54,293	53,300
Total expenditure	1,119,400	108,305	339,263	1,566,968	1,573,326

Net income/(expenditure) for the year includes:	2016 £	2015 £
Fees payable to auditor for:		
- Audit	6,000	6,000
- Other services	2,756	5,000
Operating lease rentals	15,001	6,000
Depreciation of tangible fixed assets	72,967	75,456
Loss on disposal of fixed assets	193	395

7 Charitable activities

	2016 £	2015 £
All from restricted funds:		
Direct costs - educational operations	987,481	968,688
Support costs - educational operations	525,194	551,338
	1,512,675	1,520,026

	2016 £	2015 £
Analysis of support costs		
Support staff costs	160,081	155,295
Depreciation and amortisation	73,160	75,851
Technology costs	5,549	4,026
Premises costs	80,131	76,607
Other support costs	189,115	214,485
Governance costs	17,158	25,074
	525,194	551,338

8 Staff costs

	2016 £	2015 £
Wages and salaries	888,839	876,511
Social security costs	63,295	55,972
Operating costs of defined benefit pension schemes	148,928	136,254
Staff costs	1,101,062	1,068,737
Supply staff costs	3,356	13,993
Staff development and other staff costs	14,982	9,293
Total staff expenditure	1,119,400	1,092,023

Staff numbers

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

	2016 Number	2015 Number
Teachers	29	29
Administration and support	19	20
Management	5	6
	53	55

Higher paid staff

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

	2016 Number	2015 Number
£75,001 - £80,000	1	-
£70,001 - £75,000	-	1
£60,001 - £65,000	1	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 £162,416 (2015: £154,295).

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 principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. No trustees received any expenses payments during the year (2015: £nil).

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

W Angus (Headteacher and trustee):	
Remuneration	£70,001 - £75,000 (2015: £65,001 - £70,000)
Employer's pension contributions	£10,001 - £15,000 (2015: £10,001 - £15,000)
T Hope (Trustee):	
Remuneration	£30,001 - £35,000 (2015: £30,001 - £35,000)
Employer's pension contributions	£5,001 - £10,000 (2015: £5,001 - £10,000)
E Dunbar (Trustee):	
Remuneration	£25,001 - £30,000 (2015: £25,001 - £30,000)
Employer's pension contributions	£5,001 - £10,000 (2015: £1 - £5,000)
J Colclough (Trustee):	
Remuneration	£5,001 - £10,000 (2015: £5,001 - £10,000)
Employer's pension contributions	£1 - £5,000 (2015: £1 - £5,000)

10 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

11 Tangible fixed assets

	Buildings	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 September 2015	2,776,694	58,117	75,397	2,910,208
Additions	79,380	1,743	11,423	92,546
Disposals	-	(769)	(370)	(1,139)
At 31 August 2016	2,856,074	59,091	86,450	3,001,615
Depreciation				
At 1 September 2015	123,008	45,904	18,919	187,831
On disposals	-	(748)	(198)	(946)
Charge for the year	49,727	12,081	11,159	72,967
At 31 August 2016	172,735	57,237	29,880	259,852
Net book value				
At 31 August 2016	2,683,339	1,854	56,570	2,741,763
At 31 August 2015	2,653,686	12,213	56,478	2,722,377

12 Stocks

	2016	2015
	£	£
Materials	6,963	7,507

13 Debtors

	2016	2015
	£	£
Other debtors	29,127	16,403
Prepayments and accrued income	22,088	25,264
	51,215	41,667

14 Creditors: amounts falling due within one year

	2016	2015
	£	£
Other loans	1,420	1,420
Other taxation and social security	1,750	1,167
Other creditors	10,709	1,342
Accruals and deferred income	87,765	190,095
	101,644	194,024

15 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other loans	9,934	9,934
Analysis of loans		
Wholly repayable within five years	11,354	11,354
Less: included in current liabilities	(1,420)	(1,420)
Amounts included above	9,934	9,934
Loan maturity		
Debt due in one year or less	1,420	1,420
Due in more than two years but not more than five years	5,680	5,680
Due in more than five years	4,254	4,254
	11,354	11,354

16 Deferred income

	2016 £	2015 £
Deferred income is included within:		
Creditors due within one year	54,170	59,243
Deferred income at 1 September 2015	59,243	55,666
Released from previous years	(59,243)	(55,666)
Amounts deferred in the year	54,170	59,243
Deferred income at 31 August 2016	54,170	59,243

Deferred income includes Universal Infant Free School Meals funding received in advance of the 2016/17 academic year.

17 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	157,026	1,057,560	(976,991)	(84,903)	152,692
Other DfE / EFA grants	-	142,836	(142,836)	-	-
Other government grants	-	315,688	(315,688)	-	-
Funds excluding pensions	157,026	1,516,084	(1,435,515)	(84,903)	152,692
Pension reserve	(274,000)	-	(4,000)	(511,000)	(789,000)
	(116,974)	1,516,084	(1,439,515)	(595,903)	(636,308)

17 Funds **(Continued)**

Restricted fixed asset funds					
DfE / EFA capital grants	248,305	7,643	(22,069)	-	233,879
Inherited funds	2,366,986	-	(48,291)	-	2,318,695
Capital expenditure from GAG	107,086	-	(2,800)	84,903	189,189
Restated	2,722,377	7,643	(73,160)	84,903	2,741,763
Total restricted funds	2,605,403	1,523,727	(1,512,675)	(511,000)	2,105,455
Unrestricted funds					
General funds	82,618	68,277	(54,293)	-	96,602
Total funds	2,688,021	1,592,004	(1,566,968)	(511,000)	2,202,057

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

General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other DfE/EFA grants include comparison study grant, PE grant, pupil premium and universal infant free school meals funding.

Other government grants includes funding for pupils with special educational needs, outreach and early years grants.

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

Capital grants include Devolved Formula Capital grants which has been utilised to fund asset additions.

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

Capital expenditure in the year has also been funded by GAG and unrestricted funds. Transfers between these funds are reflected in the gains, losses and transfers column.

Unrestricted funds can be used for any purpose at the discretion of the academy.

The academy's restricted general and unrestricted funds were £249,294 at 31 August 2016.

18 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	-	-	2,741,763	2,741,763
Current assets	96,602	264,270	-	360,872
Creditors falling due within one year	9,934	(111,578)	-	(101,644)
Creditors falling due after one year	(9,934)	-	-	(9,934)
Defined benefit pension liability	-	(789,000)	-	(789,000)
	96,602	(636,308)	2,741,763	2,202,057

19 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 South Tyneside Council. Both are multi-employer defined benefit schemes.

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

19 Pensions and similar obligations **(Continued)**

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the 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 next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £84,762.

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 15.6% for employers and 5.5 - 12.5% for employees. Additional past service deficiency payments of £25,000 per annum are also due.

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	69,000	66,000
Employees' contributions	17,000	16,000
Total contributions	86,000	82,000

Principal actuarial assumptions	**2016**	**2015**
	%	**%**
Rate of increases in salaries	3.4	3.6
Rate of increase for pensions in payment	1.9	2.1
Discount rate	2.0	3.8
Inflation assumption (CPI)	1.9	2.1

19 Pensions and similar obligations **(Continued)**

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

	2016 Years	2015 Years
Retiring today		
- Males	23.2	23.1
- Females	24.8	24.7
Retiring in 20 years		
- Males	25.3	25.1
- Females	27.1	27.0

The academy trust's share of the assets in the scheme	**2016 Fair value £**	**2015 Fair value £**
Equities	710,073	556,080
Government bonds	40,698	30,240
Cash	32,130	26,880
Corporate bonds	123,165	97,440
Property	107,100	78,120
Other assets	57,834	51,240
Total market value of assets	1,071,000	840,000
Actual return on scheme assets - gain/(loss)	160,000	25,000

Amounts recognised in the statement of financial activities	**2016 £**	**2015 £**
Current service cost (net of employee contributions)	64,000	63,000
Net interest cost	9,000	9,000

Changes in the present value of defined benefit obligations	**2016 £**	**2015 £**
Obligations at 1 September 2015	1,114,000	1,026,000
Current service cost	64,000	63,000
Interest cost	42,000	38,000
Employee contributions	17,000	16,000
Actuarial gain	638,000	(28,000)
Benefits paid	(15,000)	(1,000)
At 31 August 2016	1,860,000	1,114,000

19 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	840,000	734,000
Interest income	33,000	29,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial loss	127,000	(4,000)
Employer contributions	69,000	66,000
Employee contributions	17,000	16,000
Benefits paid	(15,000)	(1,000)
At 31 August 2016	1,071,000	840,000

20 Reconciliation of net income to net cash flows from operating activities

	2016	2015
	£	£
Net income for the reporting period	25,036	59,125
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(7,643)	(37,016)
Investment income	(452)	(447)
Defined benefit pension costs less contributions payable	(5,000)	(3,000)
Defined benefit pension net finance cost/(income)	9,000	9,000
Depreciation of tangible fixed assets	72,967	75,456
Losses/(profits) on disposals of fixed assets	193	395
(Increase)/decrease in stocks	544	179
(Increase)/decrease in debtors	(9,548)	102,094
Increase/(decrease) in creditors	(92,380)	13,567
Net cash used in operating activities	(7,283)	219,353

21 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	10,123	6,000
Amounts due in two and five years	23,432	15,000
	33,555	21,000

22 Related party transactions

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

Prior to becoming a trustee, Mr A S Kingston carried out performance management and consultancy work for the academy. £1,072 was paid to him for this work. In entering into this transaction the trust has complied with the requirements of the Academies Finance Handbook 2015.

23 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.

24 Reconciliations on adoption of 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'.

Reconciliation of funds for the previous financial period

	Notes	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP		2,291,896	2,375,021
Adjustments arising from transition to FRS 102:			
Change in recognition of LGPS interest cost	1	-	-
Recognition of land	2	313,000	313,000
Funds reported under FRS 102		2,604,896	2,688,021

24 Reconciliations on adoption of FRS 102 **(Continued)**

Reconciliation of net income for the previous financial period

	Notes	2015 £
Net income reported under UK GAAP		81,125
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	1	(22,000)
Recognition of land	2	-
Net income reported under FRS 102		59,125

Notes to reconciliations on adoption of FRS 102

1 - Change in recognition of LGPS interest cost
Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £22,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

2 - Recognition of land
The value of land was previously not recognised in the financial statements. This has now been recognised under FRS102 based on the EFA valuation on conversion of £313,000.

No other material adjustments were identified.