

Company Registration No. 07335020 (England and Wales)

URMSTON GRAMMAR

(A COMPANY LIMITED BY GUARANTEE)

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

Haines Watts

Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

URMSTON GRAMMAR

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 7
Governance statement	8 - 10
Statement on regularity, propriety and compliance	11
Statement of trustees' responsibilities	12
Independent auditor's report on the accounts	13 - 14
Independent reporting accountant's report on regularity	15 - 16
Statement of financial activities including income and expenditure account	17
Balance sheet	18
Statement of cash flows	19
Notes to the accounts including accounting policies	20 - 36

URMSTON GRAMMAR

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

G Ball* (Staff trustee) (Resigned 31 August 2016)
T Booth
K Chirema
N Crowther
N Edgar*
S Freeman
D Kirkham*
J Littler
H Manley*
A Marikar*
P Marks*
E May* (Chairman)
A McLaren*
K Procter*
D Rose*
E Sandys (Staff trustee)
S Slater (Staff trustee) (Appointed 20 October 2016)
S Smith*
R Wall* (Principal and accounting officer)

* Members of the finance and premises committee

Members

E May
S Smith
D Kirkham

Senior management team

- Principal
- Vice principal
- Vice principal
- Vice principal
- Assistant principal
- Head of faculty/senior teacher

R Wall
G Ball (retired 31 August 2016)
M Weems
Y Lyons
M Parker
A Elston

Director of finance

J Daley

Company registration number

07335020 (England and Wales)

Registered office

Newton Road
Urmston
Manchester
M41 5UG

Independent auditor

Haines Watts
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Bankers

Lloyds Bank Plc
King Street
Manchester
M2 3AU

URMSTON GRAMMAR

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the audited financial statements and the auditor's report of the academy trust (Urmston Grammar) for the year 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 11 to 18 serving Urmston and the surrounding area. It has a pupil capacity of 1,015 and had a roll of 970 in the school census Spring 2016.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee (company number 07335020) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Urmston Grammar are also directors of the charitable company for the purposes of company law. The charitable company is known as Urmston Grammar.

Details of the trustees who served throughout the year as noted are included in the reference and administrative details on page 1 together with details of the registered office address.

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

In accordance with normal commercial practice the academy has purchased professional indemnity and directors' and officers' insurance to protect the trustees from claims arising from negligence, errors or omissions occurring whilst on academy business.

Method of recruitment and appointment or election of trustees

The members of the trust are responsible for the appointment of trustees except parent trustees and staff trustees who will be appointed through an election process directed by the board of trustees.

Policies and procedures adopted for the induction and training of trustees

Trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to the trust, attend a briefing and receive an induction pack on the role and responsibilities of trustees.

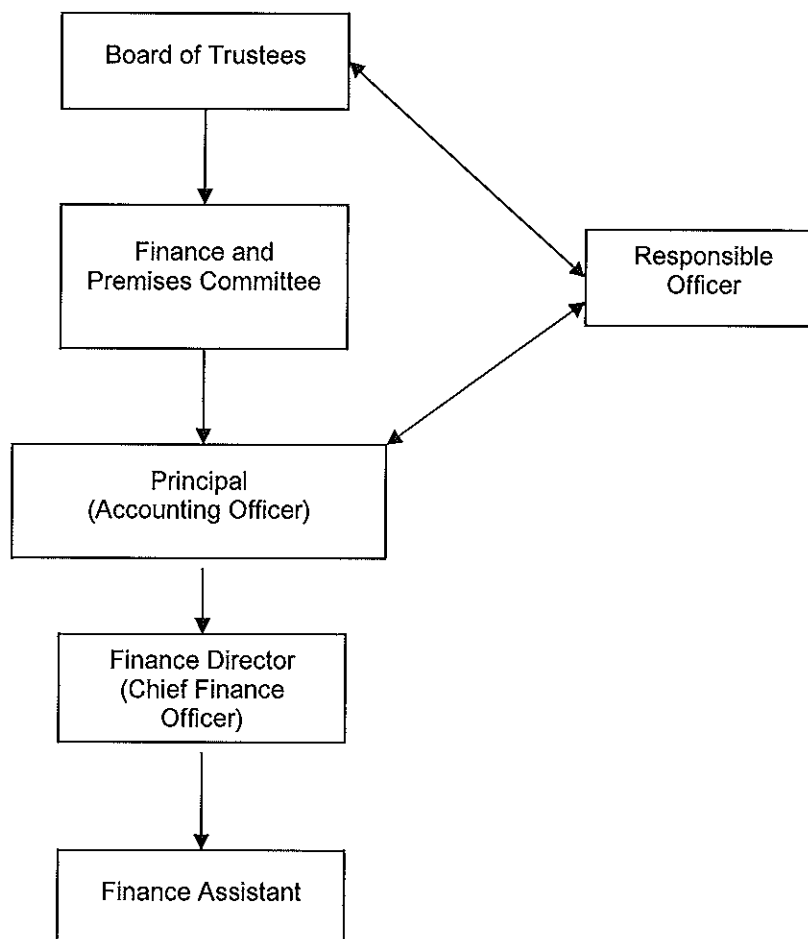
During the year, trustees are offered all necessary training.

URMSTON GRAMMAR

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Organisational structure



All trustees are members of the full board of trustees. In addition, trustees are members of committees which report to the full board of trustees.

The board of trustees meets once each term to receive reports from its sub-committees and manage its strategic objectives. The board has two sub-committees:

- Finance and Premises, which meet termly to consider the academy's budgets and financial performance, premises matters and requirements, the responsible officer's report and risk management.
- Personnel and Curriculum, which meets termly to consider curricular issues and academic performance against targets, pupil discipline and rewards, staffing matters and remuneration.

The day to day management is delegated to the principal, who has appointed a senior leadership team, which meets weekly to advise the principal on the day to day responsibilities. In addition to the senior leadership team the finance director also advises on key financial issues and day to day financial matters.

URMSTON GRAMMAR

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Arrangements for setting pay and remuneration of key management personnel

The board of trustees has established the following pay ranges for the vice principal(s) and assistant principal(s):

- Vice principal pay range (L12-L17)
- Assistant principal pay range (L10-L15)

The board of trustees has established the following pay range for the principal. The principal will be paid within an eight point Individual Salary Range (ISR) within the appropriate Group Size Range in the Leadership Pay Range (L32-L39).

Discretionary payments to the principal will be determined in accordance with the provisions of the 2016 School Teachers' Pay and Conditions Document (STPCD) and will be reviewed annually.

The board of trustees will normally appoint new leadership teachers at the bottom point of the relevant pay range. The board of trustees will pay teachers as vice principals or assistant principals only where the board of trustees is satisfied that, in the context of the teacher's duties, the role includes a significant responsibility that is not required of all classroom teachers or TLR holders, and that the role:

- a) is focused on teaching and learning;
- b) requires the exercise of a teacher's professional skills and judgment;
- c) requires the teacher to lead and manage the school through:
 - development of teaching and learning priorities across the school;
 - accountability for the standards of achievement and behaviour of pupils across the school;
 - accountability for the planning and deployment of the school's resources;
 - leading policy development and implementation across the school in accordance with statutory provisions;
 - managing whole school operational activity;
 - working with external bodies and agencies; and
 - securing pupils' access to their educational entitlements;
- d) has an impact on the educational progress of the school's pupils;
- e) involves leading, developing and enhancing the teaching practice of the school's staff;
- f) includes line management responsibility for a significant number of people and/or the line management of other line managers.

In the case of a vice principal post, the board of trustees must also be satisfied that this significant responsibility features a job weight which exceeds that expected of an assistant principal employed in the same school, including responsibility for discharging in full the responsibilities of the principal in his/her absence.

The principal, vice principal(s) and assistant principal(s) will be awarded additional scale points in accordance with the provisions of the STPCD ie they must demonstrate sustained high quality of performance in respect of school leadership and management and pupil progress.

The trustees will determine a pay range, for each the vice principal and assistant principal, consisting of five consecutive points on the leadership pay spine. When determining each pay range the trustees will take account of the context and full responsibilities of the role with reference to the professional duties set out in STPCD.

Risk management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy. The trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (eg vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the following statements.

Related parties and other connected charities and organisations

Urmston Grammar is not connected to any other organisations as defined by the relevant Charities SORP. The members, directors, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

URMSTON GRAMMAR

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of Urmston Grammar to provide education for pupils of different abilities between the ages of 11 and 18.

In accordance with the articles of association the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Children, Schools and Families.

The main objectives of the academy are summarised below:-

- to raise achievement and aspirations for all through the use of innovation and new technologies;
- to deliver a personalised curriculum which is fit for the 21st century through an outstanding learning infrastructure; and
- to ensure that all pupils are actively engaged in the curriculum and are making good progress.

Objectives, strategies and activities

The academy's objective for the year ended 31 August 2016 was to raise the attainment level of all students through care and well-being, curriculum structure, teaching and learning, and leadership development.

Student roll: the total number on roll for the year to 31 August 2016 was 970.

Admissions: Urmston Grammar uses a selective process to admit pupils to year 7. Parents have to apply to the academy for their child to sit an entrance examination. Those who are successful are then ranked in order of the admissions criteria that can be found in our admissions policy.

Admission to the academy's 6th form is done with GCSE exam results. Currently the requirements are 2 A's and 3 B's.

Permanent exclusions: the aim is to have exclusions only in exceptional circumstances. These exclusions are dealt with through the board of trustees and the SLT.

Staffing: the average number of (full time equivalent) staff employed during the year to 31 August 2016 was 107.

Public benefit

Urmston Grammar will promote, for the benefit of inhabitants of Urmston and the surrounding area, the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities with the object of improving their greater health and wellbeing.

The academy's trustees have complied with their duty to have due regard to the guidance on public benefit by the Charity Commission in exercising their powers or duties.

Strategic report

Achievements and performance

Students in year 11 in the year to 31 August 2016 at Urmston Grammar excelled themselves again with record results at Key Stage 4.

All students of all abilities achieved exceptionally well: 100% of students achieved 5 or more GCSE equivalent passes and 98.4% of students achieved 5 or more GCSE equivalent passes including Maths and English at higher grades A*-C.

Urmston Grammar's 6th form achieved an A Level pass rate of 99.4% and 65.81% of all grades were A* to B grades.

URMSTON GRAMMAR

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key performance indicators

All of the trust's trustees are expected to monitor key areas of the academy. They are required to:

- maintain the percentage of all staffing costs against income received both centrally and locally at around 85% especially as the trust employs both the catering and cleaning staff; this, however, is becoming increasingly difficult with the reduced GAG allocation;
- ensure that there are always sufficient funds in all bank accounts;
- ensure that procedures set out in the finance manual are adhered to;
- make sure levels of delegation are not changed without being put to the trustees for approval;
- generate additional funds to invest in the education of its students and any capital building projects under discussion;
- monitor the pupil premium funding to ensure it is used effectively to support the FSM/Ever 6 pupils and ensure that they make comparable progress to their peers;
- ensure the pupil admission number (PAN) is sustained and that the ability of the year 7 entrants is maintained to reflect the academic status of a selective grammar school;
- ensure sufficient progress is made by pupils as they move through the key stages in preparation for GCSE and AS/A levels;
- ensure examination results at GCSE, AS and A Level do not fall below the expected level of achievement and that individuals meet or exceed FFT targets;
- monitor attendance and see that it remains above 95%;
- increase quality assurance procedures used to monitor the quality of teaching;
- use performance management procedures to continue to improve the quality of teaching;
- continue professional development to support individual and whole school targets;
- ensure the policy and practice supports outstanding behaviour and safety of pupils at the school;
- use the quality assurance procedures to monitor the quality of leadership in, and management of, the school;
- ensure that the taught and extended curriculum support the spiritual, moral, social and cultural development of students at the school;
- make sure that the education provided by the school meets the needs of the range of pupils at the school;
- ensure and monitor the school's performance compared to all other schools and similar schools nationally; and
- ensure they fulfil their statutory duties, particularly with regard to safeguarding.

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 basis can be found in the statement of accounting policies. However, the academy trust is facing challenges due to the reduced funding and may be facing a negative reserves position by the end of the next academic year. As such, consultations are being undertaken with the EFA in order to best manage this situation.

Financial review

The majority of the academy's income is obtained from the Education Funding Agency (EFA) 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 grants for fixed assets from the EFA, and from other government bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund.

During the year ended 31 August 2016, total expenditure was £5,734,000. Recurrent grant funding from the EFA together with other incoming resources totalled £5,047,000. The excess of expenditure over income for the year was £687,000 (including depreciation of £525,000).

At 31 August 2016 the net book value of fixed assets was £18,871,000. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

URMSTON GRAMMAR

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Under accounting Standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the unrestricted fund. This resulted in the pension fund showing a deficit of £1,356,000 which has been carried forward to 2017. It should be noted that this does not present a liquidity problem for the academy and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in future years.

Financial and risk management objectives and policies

The academy holds a risk register and a risk management policy. The trustees have assessed the major risks to which the academy is exposed and a formal review of the academy's risk management is undertaken on an annual basis. The finance manual also highlights any key financial risks and responsibilities. During the year the academy had a risk review through their insurance company on the possibility that the school could no longer be in use due to serious damage and this resulted in a procedure being put in place for such an eventuality using porta cabins and local schools for spare classrooms and field use.

Reserves policy

The trustees review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees determined that the appropriate level of free reserves should be equivalent to 5% of the GAG, approximately £219,000. The reason for this is to provide sufficient funding for unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets restricted fund and pension reserve) is £99,000. 5% was not achieved in the academic year 2015/2016 and as such, the future reserve figure is under review in light of the forecast budget and the current economic climate.

Investment policy

Management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Trustees are committed to ensuring that all funds are managed in such a way as to maximise return whilst minimising risk, seeking to ensure that any cash not required for operating expenses is placed on deposit at the most favourable rate. The approval of the accounting officer is required before any investment is made and a report is presented to the finance committee.

Principal risks and uncertainties

Urmston Grammar holds a risk management policy and a risk register highlighting events that may occur, the likelihood of the risk (rated from high to low) and the person responsible. Measures of control and mitigation in order to manage the risk have been put in place.

Plans for future years

For the coming financial year, the academy plans to implement the following key objectives:

- Continue to raise attainment and aspirations across the whole school community.
- Use the quality assurance framework and CPD to support the improvement in teaching and learning.
- Explore alternative additional funding streams to improve the security and fabric of the school building, to ensure the safety of pupils and to enhance their educational experience and to help reduce the risk of a deficit budget in future years.
- To continue to develop distributed leadership across the school community.
- Having recently secured funding through the Condition Improvement Fund bid for a replacement roof on part of the school; the academy will ensure that the works are kept to the dates specified in the schedule, payments are made on time and that money is used within the guidelines from the EFA.

URMSTON GRAMMAR

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Auditors

In so far as the trustees are aware:

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

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ..1/12/16..... and signed on its behalf by:



.....
E May

Chair of trustees

URMSTON GRAMMAR

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Urmston Grammar 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 Urmston Grammar 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 4 times during the year including one extraordinary meeting. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of possible
G Ball (resigned 31 August 2016)	3	4
T Booth	4	4
K Chirema	3	4
N Crowther	4	4
N Edgar	4	4
S Freeman	4	4
D Kirkham	3	4
J Littler	2	4
H Manley	4	4
A Marikar	3	4
P Marks	3	4
E May	4	4
A McLaren	3	4
K Procter*	2	4
D Rose	3	4
E Sandys	4	4
S Smith	3	4
R Wall	4	4

The finance and premises committee is a sub-committee of the main board of trustees. Its purpose is to report to the full board of trustees on a timely basis the finance of the academy.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
G Ball (resigned 31 August 2016)	1	3
K Chirema (resigned 22 October 2015)	1	1
N Edgar	3	3
D Kirkham	2	3
H Manley	2	3
A Marikar	1	3
P Marks	1	3
E May	3	3
A McLaren	2	3
K Procter	2	3
D Rose	3	3
S Smith	2	3
R Wall	3	3

URMSTON GRAMMAR

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Review of value for money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- striving to ensure that the school was using its resources effectively to meet the needs of the pupils;
- ensuring that the value for money principles were monitored within the school improvement plan in order to determine the extent of continuous improvement;
- ensuring that teaching staff were provided with appropriate training to ensure that they continue to support and challenge pupils at all key stages;
- staff appraisals were kept up to date and targets set;
- ensuring pupils were given the opportunity to participate in extra-curricular activities to enrich their experiences, enhance their knowledge and develop leadership skills eg took part in the Debating Society competitions and Go 4 Set competitions;
- ensuring that there was a data manager in charge of pupil tracking and monitoring;
- ensuring that data was used effectively to develop appropriate intervention; and
- ensuring that pupil premium funding was used for those pupils specifically and the gap was bridged between FSM and non FSM so they achieved or exceeded their target grades. Current GCSE results showed that all year 11 pupils gained excellent results at GCSE, especially those who were provided with one to one tuition.

Care of pupils

- Welfare of the pupils was always the main priority ensuring that any bullying issues were dealt with within the school bullying policy.
- Any SEND pupils were given the correct support required.
- Any welfare issues were dealt with confidently and effectively.

Staffing

- Ensuring that there were the correct numbers of teachers to deliver a broad and balanced curriculum.
- Staff were given the opportunity to attend training courses.
- Clear targets were set as appraisals.

Resources

- Equipment was purchased to aid teaching and best practice and value was sought, ensuring that the cheapest is not always the best option policy.
- Price comparison was made on purchases and agreed procedures were followed.

Financial management

- Ensure that all financial policies were followed.
- Reports to the board of trustees were given in an understandable format and explained in detail.
- Finance staff ensured value for money was used on all purchases. That consideration was taken before making purchases looking at the long term effect and benefits eg the purchase of new IT work stations for the IT room. Quotations were sought and best value was chosen.
- Benchmarking our costs against other academies to ensure that we could identify areas where we could make cost savings.
- Reviewing controls and management risks. Regular meetings with the finance director to ensure that the budget was in line with predicted cash flow.
- Continued increases of the number of pupil intake in year 7. Regular meetings with the SLT and finance director to ensure that this increase would not put the finances of the academy at risk due to lagged funding.
- Lettings of the building were monitored and discussed to see if there were opportunities to increase the levels of income generated.
- Ensuring that budget holders were given regular budget reports and ensuring that they used spare resources to the best of their knowledge and prevent any waste. Department budgets were looked into with the view to changing the way that budgets were being set.

URMSTON GRAMMAR

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The board of trustees is collectively responsible for the overall direction of the academy and its strategic management. This involves determining the guiding principles within which the academy operates, setting general policy, adopting an annual development plan and budget, monitoring the academy's activities and making major decisions about capital expenditure and senior staff appointments.

The board of trustees is also responsible for ensuring that the academy meets all its statutory obligations and through the principal (the accounting officer), and finance director that it complies with financial regulations. The board of trustees recognises that it would be impractical to undertake all the day to day activities itself in discharging its responsibilities and that it is necessary to delegate some of its functions through committees and to the principal and senior leadership team (SLT) of the academy.

The SLT of the academy comprises the principal, three vice principals, one assistant principal and one senior teacher. The SLT controls the academy at an executive level implementing the policies laid down by the trustees and reporting back to them. In addition to the SLT, heads of faculty/department are responsible for each curriculum area and the vice principals are responsible for the day to day running of the academy, in particular organising teaching and support staff, facilities and pupils.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy's 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 Urmston Grammar for the period 1 September 2015 to 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 operation, 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 on-going process of identifying, evaluating and managing the academy's significant risks that have 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 financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

The academy trust's system of internal control is based on a framework of regular management and 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 premises 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 defining purchasing (assets purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However, the trustees have appointed Danielle Taylor, a business manager from Altrincham College of Arts, to perform peer reviews.

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

- Testing of purchase systems
- Testing of control account/bank reconciliations
- Checks on pupil premium income and expenditure (also ensuring data was published on the trust's website)

URMSTON GRAMMAR

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

On a termly basis the reviewer reports to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities.

The reviewer found that systems were in place and that no errors were found. All other checks performed were carried out without any issues.

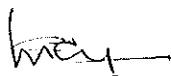
Review of effectiveness

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 senior leadership team
- The finance committee
- The trustees of the academy
- The reviewer
- External auditors
- The finance director and managers with 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 premises committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 11/12/16..... and signed on its behalf by:



.....
E May
Chair of trustees



.....
R Wall
Accounting officer

URMSTON GRAMMAR


STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

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

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

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



R Wall
Accounting officer

1/12/16

URMSTON GRAMMAR

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who also act as governors for Urmston Grammar and are also the directors of Urmston Grammar 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 on1/12/16..... and signed on its behalf by:



.....
E May
Chair of trustees

URMSTON GRAMMAR

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF URMSTON GRAMMAR

FOR THE YEAR ENDED 31 AUGUST 2016

We have audited the accounts of Urmston Grammar for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes. 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 12, the trustees, who are also the directors of Urmston Grammar 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.

URMSTON GRAMMAR

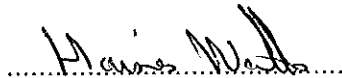
INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF URMSTON GRAMMAR (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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.



John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of Haines Watts

Chartered Accountants

Statutory Auditor


Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Dated: 

URMSTON GRAMMAR

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO URMSTON GRAMMAR AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2016

In accordance with the terms of our engagement letter dated 7 August 2014 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 Urmston Grammar 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 Urmston Grammar and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Urmston Grammar 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 Urmston Grammar and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Urmston Grammar's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Urmston Grammar's funding agreement with the Secretary of State for Education dated 3 August 2010 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.

URMSTON GRAMMAR

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

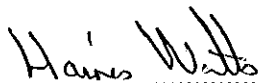
FOR THE YEAR ENDED 31 AUGUST 2016

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

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



Haines Watts
Reporting Accountant

Dated: 

URMSTON GRAMMAR

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2016 £000	Total 2015 £000
Income and endowments from:						
Donations and capital grants	2	-	7	21	28	21
Charitable activities:						
- Funding for educational operations	3	-	4,419	-	4,419	4,456
Other trading activities	4	590	9	-	599	563
Investments	5	1	-	-	1	1
Total income and endowments		<u>591</u>	<u>4,435</u>	<u>21</u>	<u>5,047</u>	<u>5,041</u>
Expenditure on:						
Raising funds	6	522	6	-	528	505
Charitable activities:						
- Educational operations	7	-	4,681	525	5,206	5,236
Total expenditure	6	<u>522</u>	<u>4,687</u>	<u>525</u>	<u>5,734</u>	<u>5,741</u>
Net income/(expenditure)		69	(252)	(504)	(687)	(700)
Transfers between funds		(97)	103	(6)	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	(589)	-	(589)	(33)
Net movement in funds		(28)	(738)	(510)	(1,276)	(733)
Reconciliation of funds						
Total funds brought forward		<u>113</u>	<u>(604)</u>	<u>19,381</u>	<u>18,890</u>	<u>19,623</u>
Total funds carried forward		<u>85</u>	<u>(1,342)</u>	<u>18,871</u>	<u>17,614</u>	<u>18,890</u>

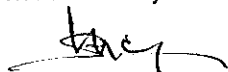
URMSTON GRAMMAR

BALANCE SHEET

AS AT 31 AUGUST 2016

		2016	2015
	Notes	£000	£000
Fixed assets			
Tangible assets	11	18,871	19,381
Current assets			
Debtors	12	152	78
Cash at bank and in hand		302	417
		454	495
Current liabilities			
Creditors: amounts falling due within one year	13	(264)	(210)
Net current assets		190	285
Total assets less current liabilities		19,061	19,666
Creditors: amounts falling due after more than one year	14	(91)	(99)
Net assets excluding pension liability		18,970	19,567
Defined benefit pension liability	18	(1,356)	(677)
Net assets		17,614	18,890
Funds of the academy trust:			
Restricted funds	16		
- Fixed asset funds		18,871	19,381
- Restricted income funds		14	73
- Pension reserve		(1,356)	(677)
Total restricted funds		17,529	18,777
Unrestricted income funds	16	85	113
Total funds		17,614	18,890

The accounts were approved by the board of trustees and authorised for issue on 11/12/16 and are signed on its behalf by:



E May
Chair of trustees

Company Number 07335020

URMSTON GRAMMAR

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £000	2015 £000	2015 £000
Cash flows from operating activities				
Net cash provided by (used in) operating activities	19		(106)	23
Cash flows from investing activities				
Dividends, interest and rents from investments		1	1	
Capital grants from DfE and EFA		21	20	
Payments to acquire tangible fixed assets		(15)	(130)	
			7	(109)
Cash flows from financing activities				
Repayment of long term government loan		(16)	-	
			(16)	-
Change in cash and cash equivalents in the reporting period			(115)	(86)
Cash and cash equivalents at 1 September 2015			417	503
Cash and cash equivalents at 31 August 2016			302	417

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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.

Urmston Grammar 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 Urmston Grammar 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 25.

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.

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.

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.

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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'.

1.4 Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges 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.

1.5 Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities 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.

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

Land and buildings	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	5 years straight line

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

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

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

1.8 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.

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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.

1.10 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.

1.11 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 26.

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.

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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 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.

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Capital grants	-	21	21	20
Other donations	-	7	7	1
	<u>-</u>	<u>28</u>	<u>28</u>	<u>21</u>

The income from donations and capital grants was £28,000 (2015: £21,000) of which £7,000 was restricted (2015: £1,000) and £21,000 was restricted fixed assets (2015: £20,000).

3 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
DfE / EFA grants				
General annual grant (GAG)	-	4,357	4,357	4,392
Other DfE / EFA grants	-	38	38	39
	<u>-</u>	<u>4,395</u>	<u>4,395</u>	<u>4,431</u>
Other government grants				
Local authority grants	-	19	19	11
Other funds				
Other incoming resources	-	5	5	14
	<u>-</u>	<u>4,419</u>	<u>4,419</u>	<u>4,456</u>
Total funding	<u>-</u>	<u>4,419</u>	<u>4,419</u>	<u>4,456</u>

The income from funding for educational operations was £4,419,000 (2015: £4,456,000) of which £4,419,000 was restricted (2015: £4,442,000) and £nil unrestricted (2015: £14,000).

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

4 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Hire of facilities	21	-	21	18
Catering income	228	-	228	215
Parental contributions	341	-	341	330
Other income	-	9	9	-
	<u>590</u>	<u>9</u>	<u>599</u>	<u>563</u>

The income from other trading activities was £599,000 (2015: £563,000) of which £590,000 was unrestricted (2015: £563,000) and £9,000 was restricted (2015: £-).

5 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Short term deposits	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

The income from funding for investment income was £1,000 (2015: £1,000) of which £1,000 was unrestricted (2015: £1,000).

6 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2016 £000	Total 2015 £000
Academy's educational operations					
- Direct costs	3,153	473	328	3,954	3,942
- Allocated support costs	860	104	288	1,252	1,294
	<u>4,013</u>	<u>577</u>	<u>616</u>	<u>5,206</u>	<u>5,236</u>
Other expenditure					
Raising funds	<u>112</u>	<u>-</u>	<u>416</u>	<u>528</u>	<u>505</u>
Total expenditure	<u>4,125</u>	<u>577</u>	<u>1,032</u>	<u>5,734</u>	<u>5,741</u>

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

6 Expenditure

Net income/(expenditure) for the year includes:	2016 £000	2015 £000
Fees payable to auditor for:		
- Audit	6	5
- Other services	5	5
Operating lease rentals	16	14
Depreciation of tangible fixed assets	525	519

7 Charitable activities

	2016 £000	2015 £000
All from restricted funds:		
Direct costs - educational operations	3,954	3,942
Support costs - educational operations	1,252	1,294
	5,206	5,236

The expenditure on educational operations was £5,206,000 (2015: £5,236,000) of which £4,681,000 was restricted (2015: £4,217,000) was restricted and £525,000 was restricted fixed assets (2015: £519,000).

Analysis of costs	2016 £000	2015 £000
Direct costs		
Teaching and educational support staff costs	3,139	3,057
Staff development	14	18
Depreciation and amortisation	473	467
Technology costs	39	41
Educational supplies and services	177	235
Examination fees	108	107
Educational consultancy	4	17
	3,954	3,942
Support costs		
Support staff costs	860	848
Depreciation and amortisation	52	52
Maintenance of premises and equipment	52	87
Cleaning	14	12
Energy costs	71	84
Rent and rates	53	51
Insurance	30	39
Security and transport	2	4
Interest on pension deficit	26	22
Other support costs	67	83
Governance costs	25	12
	1,252	1,294

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Staff costs

	2016 £000	2015 £000
Wages and salaries	3,209	3,170
Social security costs	262	232
Operating costs of defined benefit pension schemes	591	528
Staff costs	4,062	3,930
Supply staff costs	46	72
Staff development and other staff costs	17	25
Total staff expenditure	4,125	4,027

Staff numbers

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

	2016 Number	2015 Number
Teachers	64	62
Administration and support	67	71
Management	6	6
	137	139

Higher paid staff

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

	2016 Number	2015 Number
£80,000 - £90,000	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 £451,000 (2015: £442,000).

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, 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. During the year, travel and subsistence payments totalling £0 (2015: £0) were reimbursed to trustees.

The value of trustees' remuneration was as follows:

R Wall (principal and trustee)		
Remuneration	£85,001 - £90,000	(2015: £85,001-£90,000)
Employers pension contributions	£10,001 - £15,000	(2015: £10,001 - £15,000)
G Ball (staff and trustee)		
Remuneration	£55,001 - £60,000	(2015: £55,001-£60,000)
Employers pension contributions	£5,001 - £10,000	(2015: £5,001 - £10,000)
E Sandys (staff and trustee)		
Remuneration	£20,001 - £25,000	(2015: £20,001 - £25,000)
Employers pension contributions	£1 - £5,000	(2015: £1 - £5,000)

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

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£000	£000	£000	£000
Cost				
At 1 September 2015	21,070	112	417	21,599
Additions	-	8	7	15
At 31 August 2016	21,070	120	424	21,614
Depreciation				
At 1 September 2015	2,047	60	111	2,218
Charge for the year	421	29	75	525
At 31 August 2016	2,468	89	186	2,743
Net book value				
At 31 August 2016	18,602	31	238	18,871
At 31 August 2015	19,023	52	306	19,381

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

12 Debtors	2016	2015
	£000	£000
Trade debtors	9	11
VAT recoverable	9	8
Prepayments and accrued income	134	59
	<u>152</u>	<u>78</u>
13 Creditors: amounts falling due within one year	2016	2015
	£000	£000
Government loans	15	23
Trade creditors	12	5
Other taxation and social security	84	73
Other creditors	9	-
Accruals and deferred income	144	109
	<u>264</u>	<u>210</u>
14 Creditors: amounts falling due after more than one year	2016	2015
	£000	£000
Government loans	91	99
Analysis of loans		
Wholly repayable within five years	106	122
Less: included in current liabilities	(15)	(23)
Amounts included above	<u>91</u>	<u>99</u>
Loan maturity		
Debt due in one year or less	15	23
Due in more than one year but not more than two years	15	15
Due in more than two years but not more than five years	45	46
Due in more than five years	31	38
	<u>106</u>	<u>122</u>

The Government loan is part of the funding approved by the EFA for the new boiler. The funding was delivered as a combination of capital grant and a 0% "Salix" loan.

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15	Deferred income	2016	2015
		£000	£000
	Deferred income is included within:		
	Creditors due within one year	104	44
		<hr/>	<hr/>
	Deferred income at 1 September 2015	44	63
	Released from previous years	(44)	(63)
	Amounts deferred in the year	104	44
		<hr/>	<hr/>
	Deferred income at 31 August 2016	104	44
		<hr/>	<hr/>

At the balance sheet date the academy trust was holding income received in advance of educational visits to take place in 2015/2016 amounting to £91,000 (2015: £44,000).

Deferred income at 31 August 2016 also includes £13,000 being unspent grant for the improvement of teaching foreign languages from the Erasmus Programme. Any unspent grant as at 31 August 2017 is repayable to that funding body.

16	Funds	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
		£000	£000	£000	£000	£000
	Restricted general funds					
	General Annual Grant	63	4,357	(4,523)	103	-
	Other DfE / EFA grants	-	38	(38)	-	-
	Other government grants	-	19	(19)	-	-
	Other restricted funds	10	21	(17)	-	14
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Funds excluding pensions	73	4,435	(4,597)	103	14
	Pension reserve	(677)	-	(90)	(589)	(1,356)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		(604)	4,435	(4,687)	(486)	(1,342)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Restricted fixed asset funds					
	DfE / EFA capital grants	283	21	(69)	(6)	229
	Inherited funds	18,965	-	(420)	-	18,545
	Capital expenditure from GAG	133	-	(36)	-	97
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		19,381	21	(525)	(6)	18,871
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Total restricted funds	18,777	4,456	(5,212)	(492)	17,529
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Unrestricted funds					
	General funds	113	591	(522)	(97)	85
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Total funds	18,890	5,047	(5,734)	(589)	17,614
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Funds

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

Restricted general funds are those resources that have been designated by the grant provider in meeting the objects of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy.

Unrestricted funds are those funds to which the board of trustees may use in the pursuance of the academy's objects and are expendable at the discretion of the trustees.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amounts of GAG that they could carry forward at 31 August 2016.

17 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2016 £000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	18,871	18,871
Current assets	85	369	-	454
Creditors falling due within one year	-	(264)	-	(264)
Creditors falling due after one year	-	(91)	-	(91)
Defined benefit pension liability	-	(1,356)	-	(1,356)
	<u>85</u>	<u>(1,342)</u>	<u>18,871</u>	<u>17,614</u>

18 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council. Both are 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 of the LGPS 31 March 2013.

Contributions amounting to £nil (2015: £nil) were payable to the schemes at 31 August 2016 and are included within creditors.

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (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 £415,404 (2015: £353,022).

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 17.0% for employers and between 5.5% and 8.5% for employees. The estimated value of employer contributions for the forthcoming year is £111,000.

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

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

Total contributions made	2016 £000	2015 £000
Employer's contributions	109	105
Employees' contributions	40	40
Total contributions	149	145
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.4	3.8
Rate of increase for pensions in payment	2.1	2.6
Discount rate	2.0	3.7

The sensitivity regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2016	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	13%	447
1 year increase in member life expectancy	3%	104
0.5% increase in the salary increase rate	4%	141
0.5% increase in the pension increase rate	8%	293

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	21.4	21.4
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.6	26.6

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Pensions and similar obligations

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

	2016 Fair value £000	2015 Fair value £000
Equities	1,523	1,182
Bonds	360	296
Cash	106	66
Property	127	99
Total market value of assets	2,116	1,643

Actual return on scheme assets - gain/(loss)	343	35
--	-----	----

Amounts recognised in the statement of financial activities

	2016 £000	2015 £000
Current service cost (net of employee contributions)	173	172
Net interest cost	26	22

Changes in the present value of defined benefit obligations

	2016 £000	2015 £000
Obligations at 1 September 2015	2,320	2,037
Current service cost	173	172
Interest cost	89	79
Employee contributions	40	40
Actuarial loss	869	11
Benefits paid	(19)	(19)
At 31 August 2016	3,472	2,320

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

	2016 £000	2015 £000
Assets at 1 September 2015	1,643	1,482
Interest income	63	57
Return on plan assets (excluding amounts included in net interest): Actuarial loss	280	(22)
Employer contributions	109	105
Employee contributions	40	40
Benefits paid	(19)	(19)
At 31 August 2016	2,116	1,643

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

	2016 £000	2015 £000
Net expenditure for the reporting period	(687)	(700)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(21)	(20)
Investment income	(1)	(1)
Defined benefit pension costs less contributions payable	64	67
Defined benefit pension net finance cost/(income)	26	22
Depreciation of tangible fixed assets	525	519
(Increase)/decrease in debtors	(74)	231
Increase/(decrease) in creditors	62	(95)
Net cash used in operating activities	(106)	23

20 Commitments under operating leases

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

	2016 £000	2015 £000
Amounts due within one year	15	10
Amounts due in two and five years	16	7
	<u>31</u>	<u>17</u>

21 Capital commitments

The academy trust had no capital commitments at 31 August 2015.

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 trustees have 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.

No related party transactions took place in the period of account.

URMSTON GRAMMAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2015 the trust received £14,525 and disbursed £3,515 from the fund in the period. An amount of £11,010 is included in other creditors relating to undistributed funds that are repayable to EFA.

25 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

		1 September 2014 £000	31 August 2015 £000
	Notes		
Funds as reported under previous UK GAAP		19,623	18,890
Adjustments arising from transition to FRS 102:			
Change in recognition of LGPS interest cost	1	-	(28)
Change in actuarial loss		-	28
Funds reported under FRS 102		<u>19,623</u>	<u>18,890</u>

Reconciliation of net loss for the previous financial period

		2015 £000
	Notes	
Net expenditure as reported under previous UK GAAP		(733)
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	1	(28)
Change in actuarial loss		28
Net expenditure reported under FRS 102		<u>(733)</u>

Notes to reconciliations on adoption of FRS 102

1. Change in recognition of LGPS

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £28,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.