

Company Registration No. 07836684 (England and Wales)

GRETTON PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

THURSDAY



A60EN0MX

A19

16/02/2017

#232

COMPANIES HOUSE

GRETTON PRIMARY SCHOOL

CONTENTS

	Page
Reference and administrative details	1
Governors' report	2 - 10
Governance statement	11 - 14
Statement on regularity, propriety and compliance	15
Statement of governors' responsibilities	16
Independent auditor's report on the accounts	17 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities including income and expenditure account	21 - 22
Balance sheet	23
Statement of cash flows	24
Notes to the accounts including accounting policies	25 - 39

GRETTON PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors

Deidre Chadwick (Chair of Governors and LA Governor)
Jacqueline Kelly (Head/Accounting Officer)
Alison Silver (Resigned 5 March 2016)
Rachel Griffiths (Resigned 28 January 2016)
Rachael Clargo (Parent Governor)
Rachael Netting (Staff Governor)
Stu Richardson (Parent Governor)
Alicia Amos (Parent Governor)
Claire Storey (Resigned 23 May 2016)

Members

Cheryl Cuthbertson
Deirdre Chadwick
Helen Fisher

Senior management team

- Headteacher/Accounting Officer
- Staff Governor

Jacqueline Kelly
Rachael Netting

Clerk to the Governors

Rachel Oliver

Company registration number

07836684 (England and Wales)

Registered office

Gretton
Cheltenham
Gloucestershire
GL54 5EY

Independent auditor

Pitt Godden & Taylor LLP
Brunel House
George Street
Gloucester
Gloucestershire
GL1 1BZ

Bankers

Lloyds Bank plc.
Rotunda, Montpellier
Cheltenham
Glos
GL50 1SH

GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The governors 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 academy trust operates an academy for pupils aged 4-11 years, serving the rural community of Gretton and its surrounding villages. At the October 2016 census, the school had 98 pupils on roll.

Structure, governance and management

Constitution

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

The governors are the trustees of Gretton Primary School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Gretton Primary School.

Details of the governors who served during the year are included in the Reference and Administrative Details on page 1. The Articles of Association state that the members of the academy comprise of: the signatories of the Memorandum, one person appointed by the Secretary of State, the Chairman of the Governors and any person appointed under Article 16. The Articles of Association require at least three governors to be responsible for the statutory and constitutional affairs of the academy and its management. The number of governors appointed is not subject to any maximum.

Members' liability

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

Governors' indemnities

The Academy Trust provides indemnity insurance to cover the liability of governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

Method of recruitment and appointment or election of governors

The Academy Trust shall have the following governors;

- i - up to 5 governors appointed by the members,
- ii - any staff of the academy as staff governors as long as they do not exceed one third of the total number of governors, appointed by the members,
- iii – a minimum of 2 parent governors as elected by the parental body,
- iv – up to one LA governor appointed by the LA,
- v – The Head Teacher
- vi – Any governor as appointed by the Secretary of State
- vii – Up to 3 co-opted governors appointed by governors who are not themselves co-opted.

When a parent governor position is vacated, nominations for a replacement are invited by the governing body. All persons entitled to vote on a replacement are then notified of the nominees and a replacement governor is chosen by the parental body.

GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of governors

All new governors are given an in-house induction session with the Chair of Governors and are given support by experienced governors for their subject monitoring role. In addition external trainers may be brought in or governors may attend external training provision as appropriate. All new governors are expected to attend a training session run by the Local Authority specifically for new governors. However the trust has begun using an external company to provide induction courses for new Business governors in light of the need to cover academy responsibilities especially financial monitoring, which is not adequately addressed by LA training. Governors are provided with a list of all the documents that they will need to undertake their role and where to access these documents.

Organisational structure

The full governing body meets formally four times per year. Discussions are held and decisions are made or ratified as appropriate. There are two committees – Curriculum and Business. All governors belong to one committee apart from the Head and Chair of Governors who attend all committee meetings. The committees meet each half-term (six times a year). Curriculum covers all aspects of curriculum monitoring and development and also oversees the performance management process and any well-being issues. Business undertakes all financial planning and pay and budget monitoring, as well as premises maintenance/projects and monitoring of health & safety. These committees provide the opportunity for detailed discussion and policy development. Interim decisions are reached at committee for ratification at Full Governing Body meetings. The meeting timetable is structured such that committees meet shortly before the Full Governing Body to ensure discussions at the latter are fully informed and based on up to date information. The day to day running of the academy is delegated to the senior management team who report back to the governors' committees as appropriate.

This year an additional extraordinary meeting of the full governing body was held to discuss changes to the school hours.

Arrangements for setting pay and remuneration of key management personnel

The academy trust has identified key management personnel as the trustees and the Headteacher and Staff Governor who is also the Senior Teacher.

Trustees receive no remuneration for their work on behalf of the academy trust. They are able to claim expenses (e.g. babysitting) in line with the Governors Allowances Policy which is reviewed annually by the trustees.

The Headteacher and Senior Teacher are remunerated as professional employees of the academy trust. The arrangements for setting their pay and remuneration follow national standards and use the national pay scales at the appropriate level. These procedures are laid out in the trust's Pay Policy which is reviewed annually by the Business Committee.

The Headteacher and Senior Teacher received an annual performance management review held in the first term. The Headteacher's review was conducted by the academy trust's Chair and Vice Chair and the Senior Teacher's review was conducted by the Headteacher. Reviews always include an evaluation of the previous year's targets and the setting of relevant targets for the next year. The outcome of reviews are minuted at committee meetings and the decision to award pay scale progression is agreed and minuted by the Business Committee.

Related parties and other connected charities and organisations

During the period the Academy did not have any connected organisations. There are no related party transactions or other financial transactions except as disclosed in note 9 in these accounts.

GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and activities

Objects and aims

The aim of the academy trust is to achieve its vision of 'learning and working together' by creating a happy and stimulating learning environment, where children receive high-quality teaching and are encouraged to develop their full potential and to be aware of their responsibilities to the community, their families, friends and themselves. The academy trust is committed to on-going self-evaluation at all levels – performance of staff, head, governors and the progress of our children - to ensure provision continues to be developed.

Objectives, strategies and activities

During 2015-16 there was a consistent focus on Building a Learning Powered school - creating a culture which cultivates habits and attitudes that enable young people to face difficulty and uncertainty calmly, confidently and creatively and preparing our pupils not just for tests but for life – by helping them build mental, emotional and social resources and a spirit of resourcefulness and resilience. This built on our work on a Growth Mindset approach, advocating that intelligence is learnable and that ability should not be defined only as academic achievement.

Development of a Gretton curriculum for Cycle B was continued, being mindful of the key elements of the above approach, and ensuring a wide repertoire of stimulating learning opportunities to engage and challenge all pupils, whether high or lower ability and further raise standards in English and Maths. Subject Leaders ensured that these opportunities were available in their subjects and map progression across the school.

For professional development, peer lesson observations were restarted to increase the sharing of good practice and reflective teaching experiences. Contact and work with our local and wider cluster schools continued.

In IT there was a focus on CPD/training need to improve staff knowledge to be able to deliver the new scheme of work and ensure the full curriculum needs are being met. Procedures for using the iPads was established so their full potential could be recognized in terms of the children's learning. A need for keyboard skills for the children was also recognized and planning was undertaken to ensure this need could be met.

In the Arts investment in opportunities and personnel were made to promote and offer a wide range of experiences:

Art - art gallery visit, artist workshops, staff CPD to develop knowledge and understanding led by Art coordinator, mark making lessons taught across school by Art coordinator, team teaching: Art coordinator alongside class teachers, creative weeks to ensure time given to development of key skills, Craft Club.

Music - peripatetic instrument lessons, Charanga and Sing-Up websites to deliver music curriculum and Choir Club.

In PE the target was to continue developing excellence and given its wide and time consuming remit, a PE 'Team' made up of the Subject Leader, a Fixtures & Extra-Curricular Activities Organiser and an Admin assistant was created.

In terms of financial investment, the two areas of focus were IT, where the network and broadband infrastructure were identified as areas to improve, and reading, where new reading resources were identified as an important way to continue to maintain high standards.

Public benefit

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance

Development work during 2015-16 was focused around the following priorities and outcomes were measured as:

1. Standards

Strategies to continue to raise standards in English and Maths at KS1 & 2 by achieving:

- Good progress in Reading & Maths for at least 80% children.
- Increase number of children who exceed expected progress and achieve above age related expectation at the end of KS2 for Reading & SPAG.
- Increase standards in writing through careful structuring and resourcing in key areas of spelling, punctuation and grammar so children achieve highly in new end of KS1 & 2 assessments.
- Ensure regular opportunities for 'Using and Applying' in Maths are planned and delivered across KS1 and KS2, including children working at Mastery level in each year group.
- Ensure consistency of Maths approach meets the needs of SEN children and enables them to make at least satisfactory progress.

Outcomes

- KS1 and KS2 Reading results were 94% and 75% respectively at expected standard (higher than the county for KS1 and national for both key stages).
- KS1 Maths results were 88% at expected standard but KS2 Maths results were lower than expected at 50% (county & national = 70%).
- KS1 Writing results were 69% at expected standard (higher than county and national) but KS2 writing results were below at 69%.
- KS2 SPAG results 50% were significantly lower than national of 72%.
- Reciprocal Reading has been well received – positive Governor feedback from observations in Y3/4.
- Results in Reading across school on the Target Tracker show that 69% children achieved 6 steps or more, with 28% achieving 5 steps, 3% achieving 4 steps and 1% achieving less than this. □
- Results in Writing across school on the Target Tracker show that 83% achieved 6 steps or more, with 16% achieving 5 steps and 1% achieving less than this. □
- Points Progress Report in Maths (selected SEN children) showed year Y2 SEN made an average of 6 points progress, Y3 made 5 points progress, Y4 SEN made 7 points progress, Y5 SEN made 7 points progress and Y6 SEN made 6.5 points progress.

GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Key performance indicators

- Quality of teaching
 - Target of 100% lesson observations graded good was achieved, with over 50% graded as outstanding or having outstanding features.
- Standards
 - Target of expected standard for KS1 & 2 in new tests for English and Maths was partially attained, with Reading at both key stages and Writing and Maths at KS1. However KS2 Writing, Maths and SPAG were below expected standard.
 - EYFSP summary scores to remain as high or higher than previous year's. Target largely achieved although one area (Number) was higher by 9% and one area (Writing) lower by 15%.
- Attendance
 - Target of 97% pupil attendance was just missed at 96.7% and unauthorized absence was only 0.5%.
 - Target of zero exclusions achieved.
- Financial management
 - Target of setting and managing a breakeven operating budget was achieved with a small surplus at the year end.
- IT investment
 - Target of resourcing IT by investing in devices (FOGS funded iPads) and network improvements achieved.

2. Quality of Teaching and Learning

Maintain the high quality teaching already established, whilst exploring new ways to promote pupils' engagement in their own learning by:

- Developing a Building Learning Power culture.
- Re-establishing Peer Coaching to share good practice.
- Use the performance management model to link pay with performance.

Outcomes

- BLP and Peer Coaching both given scheduled time for staff to develop and carry out.
- Positive feedback from staff on value of Peer Coaching.
- Out of 15 lessons observed 100% were good or better. Over 50% were outstanding or had outstanding features compared to 27% last year.

GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

3. Developing and Enriching the Curriculum

Provision of an effective and enriching arts learning environment and progression of skills and knowledge as children move through school with opportunities for application in meaningful contexts.

- Identified skills progression and a learning strand for each arts subjects.
 - Assessment methods identified for foundation subjects so that progression can be established and monitored.
 - Promoting and developing the arts inside and outside of the curriculum.

Outcomes

- Creative curriculum has positive feedback from children and enrichment included whole school visit on art and staff CPD to broaden staff skills.
- Assessment approaches agreed by staff and methods for each subject being established.
- Celebration opportunities built in through class assemblies and displays.

4. Financial management

Set and manage a breakeven operating budget, control costs and provide appropriate investment in IT.

Outcomes

- High quality financial information from the SBM enabled sound decision making.
- Stronger knowledge base enabled Headteacher to monitor costs closely.
- IT needs clearly identified by staff with input from Governors.
- All forms of income (capital revenue, recurrent revenue, reserves, School Fund and FOGS contributions) were all utilised to provide effective and evidence based resourcing.

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

The accounting period runs from 1 September 2015 to 31 August 2016. The majority of the academy's income is obtained from the EFA in the form of recurrent grants and the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure is shown as restricted funds in the statement of financial activities.

The main financial aim of the governing body is to manage delegated funds in a sound manner for the maximum benefit of the pupils, staff and parents of the school.

The Business Committee manages and monitors delegated funds. Day to day management of the budget is delegated to the Head. The SBM oversees reporting requirements and maintains appropriate accounting systems. In addition, the Business Committee monitors the operation of the School Fund account at every meeting. The governing body is responsible for the appointment of external auditors after due diligence and a tendering process by the Business Committee following the principals of best value.

The academy's main financial management procedures, including budget setting, monitoring and internal financial control and purchasing, are laid out in the Finance Policy. This policy is reviewed annually by the Business Committee.

The governing body would like to thank the 'Friends of Gretton School' committee for their hard work in raising funds that have been used to support various school activities and school trips. These funds are shown as restricted funds in the statement of financial activities.

Reserves policy

The governing body recognises the need to hold a reserve to protect against possible reductions in future funding and therefore its ability to deliver the academy's longer term objectives. The reserves will be held in line with the DfE guidelines. The aim is to carry forward a sufficient reserve whilst ensuring that this does not affect the academy's current operational activities.

The total funds of the academy as at 31 August 2016 were £1,065k (2015 £1,097k). This includes unrestricted general funds of £100k (2015 £84k). The governing body will aim to set a breakeven operating budget each financial year and will only consider using unrestricted general funds for specific, clearly defined projects outside the day to day activities of the academy. Restricted general funds, excluding pension liabilities, amounted to £7k (2015 £10k). This has been earmarked for improvements to the dining facilities over the coming year. Restricted fixed asset funds totalled £1,055k (2015 £1,074k), being the tangible fixed assets of the academy which can only be realised on the disposal of the assets.

Restricted general funds include a Local Government Pension Scheme (LGPS) deficit of £97k (2015 £71k). The governing body recognises that whilst this pension deficit is unlikely to crystallise in the short to medium term, the impact on the academy will be the cash flow effect of increased employer's pension contributions over a period of years. The academy will aim to meet any such increases in pension contributions through the academy's budgeted annual income to avoid any impact on general reserves.

Investment policy and powers

The Investment Policy is included in the Finance Policy and as such, subject to annual review. The Accounting Officer and SBM will monitor implementation of the policy and report to the Business Committee as required. Funds surplus to immediate cash requirements will be deposited in a low-risk, high interest account for a period of twelve months.

GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Principal risks and uncertainties

The academy has an ongoing risk management process. Overall responsibility for risk management rests with the governing body. The Business Committee monitors the type of risk the academy faces, any changing levels of risk and identifies newly emerging risks. The academy employs a part-time School Business Manager to provide sound financial information to the governors and thereby reduce the risk exposure of the academy. The academy uses an external Independent Reviewer to perform the Responsible Officer role to test procedures and make recommendations to ensure financial systems are robust and risk is minimized.

As a small rural school, one area for close monitoring remains changes to pupil numbers, with the subsequent financial impact that would bring. The trust's strategy for managing this risk is to maintain its reputation for high quality education and to control costs carefully year on year. However during this year, the two most significant risks facing the academy have both been in relation to pensions – exposure to the support staff scheme being in deficit and the consequent risk that employer's contributions will rise. Mitigations for these risks is limited since they are largely outwith the trust's control, but financial planning has taken account of likely rises.

Plans for future periods

- Whole school focus on reading.
How? By investing and using new guided reading resources.
- Whole school focus on SPAG.
How? By introducing a through school structured resource for spelling and grammar.
- Whole school focus on Maths.
How? More frequent summative testing, focussed interventions and splitting the Y5/6 class for Maths.
- Continuing peer observations and sharing good practice with TAs.
How? By continuing to schedule observations and developing the role of TAs in class.
- Ensure all subjects have built in progression with clear assessment.
How? By subject leader support and use of assessment strategies.
- Create a culture of resilience in the children.
How? Children demonstrate a can do attitude.
- Continue sound financial planning.
How? By managing a reduced budget through control of costs and expenditure without impacting on the quality of teaching and learning.

Funds held as custodian trustee on behalf of others

The academy does not hold any funds as custodian trustee on behalf of others.

GRETTON PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

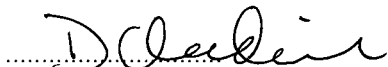
Auditor

In so far as the governors are aware:

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

A resolution proposing that Pitt Godden & Taylor LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report was approved by order of the board of governors, as the company directors, on 5.12.16 and signed on its behalf by:



Deidre Chadwick

Chair of Governors and LA Governor

GRETTON PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

The governing body recognises its role, and the responsibility it carries for ensuring that Gretton Primary School 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 governing body has delegated the day-to-day responsibility to Jackie Kelly, headteacher, 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 Gretton Primary School and the Secretary of State for Education. She is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

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

Governors	Meetings attended	Out of possible
Deidre Chadwick (Chair of Governors and LA Governor)	5	5
Jacqueline Kelly (Head/Accounting Officer)	4	5
Alison Silver (Resigned 5 March 2016)	2	3
Rachel Griffiths (Resigned 28 January 2016)	1	3
Rachael Clargo (Parent Governor)	5	5
Rachael Netting (Staff Governor)	5	5
Stu Richardson (Parent Governor)	4	5
Alicia Amos (Parent Governor)	5	5
Claire Storey	3	4

The committee structure and scope of activities reflects the core activities of the academy: monitoring the curriculum and standards, and financial management and planning. This has enabled all governors to be involved in the detail of one of the key areas of governor responsibility. All governors have received training over the year, which this year has focussed on roles and responsibilities, and the Clerk to the Governors now minutes the Business meetings as well as full governing body meetings. The annual self-evaluation exercise (based on Governor Mark) was undertaken during the year.

The Business Committee is a sub-committee of the main governing body. Its purpose is to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. It regularly reviews the staffing structure, the procedure for appointing staff, the Pay Policy and Performance Management Policy for all staff, the Risk Register and if necessary would also oversee the process leading to staff reductions. It reports to the full governing body with comments and recommendations on all areas outlined above. The Committee aims for a balance of experienced and new governors to ensure a smooth succession of governors able to provide strong financial oversight. Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Deidre Chadwick (Chair of Governors and LA Governor)	6	6
Jacqueline Kelly (Head/Accounting Officer)	6	6
Rachel Griffiths (Resigned 28 January 2016)	2	2
Stu Richardson (Parent Governor)	6	6
Claire Storey	3	4
Marcia Granger (SBM)	6	6

GRETTON PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

The Curriculum Committee meetings were attended in the year was as follows:

Governors	Meetings attended	Out of possible
Deidre Chadwick (Chair of Governors and LA Governor)	5	6
Jacqueline Kelly (Head/Accounting Officer)	6	6
Alison Silver (Resigned 5 March 2016)	3	4
Rachael Clargo (Parent Governor)	6	6
Rachael Netting (Staff Governor)	6	6
Alicia Amos (Parent Governor)	5	6

Review of value for money

As Accounting Officer the headteacher 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:

- collaborating with other settings and professionals to share good practice and raise standards in the most cost-effective and efficient manner. For example, within the local cluster of schools, staff training opportunities have been shared to achieve economies of scale and minimise costs.
- the school's robust systems of financial governance have been strengthened through the appointment of an Independent Reviewer to perform an independent check of controls and procedures and to complement the work of the external auditors.
- using established purchasing procedures for any significant purchases or contracts, to ensure different options have been thoroughly considered before making purchasing decisions, including an assessment of the costs and benefits of the alternatives over the longer term.

Moving forward, one of the key challenges for the academy trust will be to manage an increasingly tight budget. Gloucestershire is one of the most poorly funded counties in terms of per-pupil funding. In addition, there will be significant pressure on the cost base from higher employment costs, such as pension and national insurance costs.

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 continued to be in place in Gretton Primary School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts and beyond.

GRETTON PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Capacity to handle risk

The governing body has delegated to the Business Committee the duty to review the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Business Committee has demonstrated to the governing body that there is a formal on-going process for identifying, evaluating and managing the academy'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 financial statements. This process is reviewed by the governing body.

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:

- Budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors;
- Regular reviews by the Business Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The governing body have again considered the need for a specific internal audit function and decided not to appoint an internal auditor. However, the governors have appointed an Independent Reviewer for the year 2015-16 to perform the Responsible Officer role. The Reviewer is Liz Brazier, a qualified accountant and SBM and a former school governor. This role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The Reviewer has provided three written reports to the Governing Body during the period to 31 August 2016 on the operation of the systems of control, advice on financial matters and security and the discharge of the governing body's financial responsibilities. In the instances where the Reviewer has made recommendations for improvement, these have been discussed with the School Business Manager and a cycle of review, amendment of process (where appropriate) and check again has been established.

Review of effectiveness

As Accounting Officer the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- Feedback from the Business Committee;
- The work of the School Business Manager;
- The work of the RO;
- The work of the external auditor.

GRETTON PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

Approved by order of the board of governors on 5-12-16 and signed on its behalf by:



Deidre Chadwick
Chair of Governors and
LA Governor



Jacqueline Kelly
Head/Accounting Officer

GRETTON PRIMARY SCHOOL


STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Gretton Primary School I have considered my responsibility to notify the academy trust board of governors 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 governors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 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 governors and EFA.

Jacqueline Kelly
Accounting Officer


5.12.16

GRETTON PRIMARY SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The governors (who act as trustees for Gretton Primary School and are also the directors of Gretton Primary School for the purposes of company law) are responsible for preparing the Governors' 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 governors to prepare accounts for each financial year. Under company law the governors 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 governors 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 governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of governors on 5.12.16 and signed on its behalf by:



Deidre Chadwick
Chair of Governors and LA Governor

GRETTON PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF GRETTON PRIMARY SCHOOL

We have audited the accounts of Gretton Primary School for the year ended 31 August 2016 set out on pages 21 to 39. 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 governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 16, the governors, who are also the directors of Gretton Primary School 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 governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governors' 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 Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

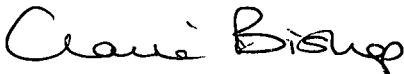
GRETTON PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF GRETTON PRIMARY SCHOOL (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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.



Claire Bishop (Senior Statutory Auditor)
for and on behalf of Pitt Godden & Taylor LLP

Chartered Accountants

Statutory Auditor

Brunel House
George Street
Gloucester
Gloucestershire
GL1 1BZ

Dated: 5th December 2016

GRETTON PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GRETTON PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 October 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 Gretton Primary School 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 Gretton Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Gretton Primary School 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 Gretton Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Gretton Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Gretton Primary School's funding agreement with the Secretary of State for Education dated 1 February 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.

The work undertaken to draw our conclusions included:

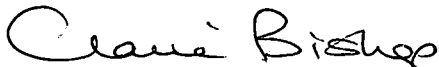
- a review of the objectives and activities of the Academy, with reference to the income streams and other information available to us as auditors of the Academy;
- testing of a sample of grants received and other income streams;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of payroll payments to staff;
- evaluating the internal control procedures and reporting lines and testing as appropriate; and
- reviewing the minutes of meetings of the governing body and other evidence made available to us, relevant to our consideration of regularity.

GRETTON PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GRETTON PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

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



Claire Bishop

Reporting Accountant

Pitt Godden & Taylor LLP

Chartered Accountants

Brunel House

George Street

Gloucester

Gloucestershire

GL1 1BZ

Dated: *5th December 2016*

GRETTON PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

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	1	6	-	7	6
Charitable activities:						
- Funding for educational operations	4	-	453	-	453	484
Other trading activities	3	6	-	-	6	30
Investments	5	1	-	-	1	-
Total income and endowments		<u>8</u>	<u>459</u>	<u>-</u>	<u>467</u>	<u>520</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	-	458	19	477	519
Total expenditure	6	<u>-</u>	<u>458</u>	<u>19</u>	<u>477</u>	<u>519</u>
Net income/(expenditure)		8	1	(19)	(10)	1
Transfers between funds		8	(8)	-	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(22)	-	(22)	(1)
Net movement in funds		16	(29)	(19)	(32)	-
Reconciliation of funds						
Total funds brought forward		84	(61)	1,074	1,097	1,097
Total funds carried forward		<u>100</u>	<u>(90)</u>	<u>1,055</u>	<u>1,065</u>	<u>1,097</u>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. Net movement in funds also constitutes total comprehensive income, as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods.

GRETTON PRIMARY SCHOOL

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 £000	General £000	Restricted funds: Fixed asset £000	Total 2015 £000
Income and endowments from:					
Donations and capital grants	2	1	5	-	6
Charitable activities:					
- Funding for educational operations	4	-	484	-	484
Other trading activities	3	29	1	-	30
Total income and endowments		<u>30</u>	<u>490</u>	<u>-</u>	<u>520</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	-	501	18	519
Total expenditure	6	<u>-</u>	<u>501</u>	<u>18</u>	<u>519</u>
Net income/(expenditure)		30	(11)	(18)	1
Transfers between funds		(18)	18	-	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(1)	-	(1)
Net movement in funds		12	6	(18)	-
Reconciliation of funds					
Total funds brought forward		<u>72</u>	<u>(67)</u>	<u>1,092</u>	<u>1,097</u>
Total funds carried forward		<u>84</u>	<u>(61)</u>	<u>1,074</u>	<u>1,097</u>

GRETTON PRIMARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2016

		2016	2015
	Notes	£000	£000
Fixed assets			
Tangible assets	11	1,055	1,071
Current assets			
Debtors	12	22	22
Cash at bank and in hand		121	115
		143	137
Current liabilities			
Creditors: amounts falling due within one year	13	(36)	(40)
Net current assets		107	97
Net assets excluding pension liability		1,162	1,168
Defined benefit pension liability	17	(97)	(71)
Net assets		1,065	1,097
Funds of the academy trust:			
Restricted funds	15		
- Fixed asset funds		1,055	1,074
- Restricted income funds		7	10
- Pension reserve		(97)	(71)
Total restricted funds		965	1,013
Unrestricted income funds	15	100	84
Total funds		1,065	1,097

The accounts set out on pages 21 to 39 were approved by the board of governors and authorised for issue on 5.12.16 and are signed on its behalf by:



Deidre Chadwick
Chair of Governors and LA Governor

Company Number 07836684

GRETTON PRIMARY SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £000	2015 £000
Net cash inflow/(outflow) from operating activities	18	8	(4)
Returns on investments and servicing of finance			
Investment income	1	-	-
Net cash inflow/(outflow) from returns on investments and servicing of finance		1	-
		9	(4)
Capital expenditure and financial investments			
Payments to acquire tangible fixed assets	(3)	-	-
Net cash flow from capital activities		(3)	-
Increase/(decrease) in cash	19	6	(4)

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

Gretton Primary School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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.

Gretton Primary School meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charitable company. Monetary amounts in these financial statements are rounded to the nearest £000.

These accounts for the year ended 31 August 2016 are the first accounts of Gretton Primary School 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. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of one year from the date of approval of the accounts. The Academy has a funding agreement in place with the Secretary of State for Education which is for 7 years, with a 7 year notice period. The governors 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.

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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.

Donations

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

Other income

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

1.4 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.

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

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

GRETTON PRIMARY SCHOOL

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

1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than leasehold 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	2% p.a.
Fixtures, fittings & equipment	20% p.a.

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 17, 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.

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 Department for Education.

1.11 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 estimates and underlying assumptions for depreciation are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The carrying amounts of fixed assets are shown in the notes to the accounts.

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 17, 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.

GRETTON PRIMARY SCHOOL

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
Other donations	1	6	7	6
	<u>1</u>	<u>6</u>	<u>7</u>	<u>6</u>

3 Activities for generating funds

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Income from Facilities and Services	-	-	-	24
Early Bird Income	5	-	5	4
Swimming Income	1	-	1	1
Supply Teacher Reimbursement	-	-	-	1
	<u>6</u>	<u>-</u>	<u>6</u>	<u>30</u>

4 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)	-	389	389	412
Other DfE / EFA grants	-	41	41	56
	<u>-</u>	<u>430</u>	<u>430</u>	<u>468</u>
Other government grants				
Local authority grants	-	13	13	9
	<u>-</u>	<u>13</u>	<u>13</u>	<u>9</u>
Other funds				
Other incoming resources	-	10	10	7
	<u>-</u>	<u>10</u>	<u>10</u>	<u>7</u>
Total funding	<u>-</u>	<u>453</u>	<u>453</u>	<u>484</u>

5 Investment income

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

GRETTON PRIMARY SCHOOL

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

6 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2016 £000	Total 2015 £000
Academy's educational operations					
- Direct costs	314	19	93	426	471
- Allocated support costs	36	-	15	51	48
	<u>350</u>	<u>19</u>	<u>108</u>	<u>477</u>	<u>519</u>
Total expenditure	<u>350</u>	<u>19</u>	<u>108</u>	<u>477</u>	<u>519</u>

Net income/(expenditure) for the year includes:

	2016 £000	2015 £000
Fees payable to auditor for:		
- Audit	4	4
- Other services	1	1
Operating lease rentals	2	2
Depreciation of tangible fixed assets	19	18
	<u></u>	<u></u>

7 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Total 2015 £000
Direct costs				
Teaching and educational support staff costs	-	312	312	355
Depreciation	-	19	19	18
Rent, rates & cleaning	-	10	10	7
Educational supplies and services	-	24	24	20
Insurance	-	6	6	8
Staff development	-	2	2	2
Educational consultancy	-	2	2	2
Maintenance of premises & equipment	-	6	6	9
Other direct costs	-	45	45	50
	<u>-</u>	<u>426</u>	<u>426</u>	<u>471</u>
Allocated support costs				
Support staff costs	-	36	36	36
IT equipment	-	7	7	5
Pension finance costs	-	3	3	2
Governance costs	-	5	5	5
	<u>-</u>	<u>51</u>	<u>51</u>	<u>48</u>
Total costs	<u>-</u>	<u>477</u>	<u>477</u>	<u>519</u>

GRETTON PRIMARY SCHOOL

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

8 Staff costs

	2016 £000	2015 £000
Wages and salaries	282	315
Social security costs	14	15
Operating costs of defined benefit pension schemes	52	61
	<hr/>	<hr/>
Staff costs	348	391
Staff development and other staff costs	2	2
	<hr/>	<hr/>
Total staff expenditure	350	393
	<hr/>	<hr/>

Staff numbers

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

	2016 Number	2015 Number
Teachers	5	5
Administration and support	14	14
Management	2	3
	<hr/>	<hr/>
	21	22
	<hr/>	<hr/>

Higher paid staff

There were no employees whose annual remuneration (excluding pension contributions) was £60,000 or more.

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £110,000.

GRETTON PRIMARY SCHOOL

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

9 Governors' remuneration and expenses

One or more governors have been paid remuneration or have received other benefits from an employment with the academy trust. The Head and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Head and staff members under their contracts of employment, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors.

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

J. Kelly (Head):

Remuneration £60,000 - £65,000 (2015: £55,000-£60,000)

R. Netting (staff):

Remuneration £45,000 - £50,000 (2015: £45,000-£50,000)

A. Amos

Remuneration £0- £5,000 (2015: £nil)

The above salary figures are inclusive of employers pension contributions.

During the year, payments for classroom materials, mileage and other school resources totalling £721 (2015: £637) were reimbursed or paid directly to 2 governors (2015: 2 governors).

10 Governors 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 governors 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 governors and officers indemnity element from the overall cost of the RPA scheme.

GRETTON PRIMARY SCHOOL

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

11 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Total
	£000	£000	£000
Cost			
At 1 September 2015	1,121	13	1,134
Additions	-	3	3
	<u>1,121</u>	<u>16</u>	<u>1,137</u>
At 31 August 2016	1,121	16	1,137
Depreciation			
At 1 September 2015	54	9	63
Charge for the year	16	3	19
	<u>70</u>	<u>12</u>	<u>82</u>
At 31 August 2016	70	12	82
Net book value			
At 31 August 2016	1,051	4	1,055
	<u>1,051</u>	<u>4</u>	<u>1,055</u>
At 31 August 2015	1,067	4	1,071
	<u>1,067</u>	<u>4</u>	<u>1,071</u>

Included in land and buildings is leasehold land at valuation of £350,338 (2015: £350,338), which is not depreciated.

12 Debtors

	2016 £000	2015 £000
Other debtors	5	4
Prepayments and accrued income	17	18
	<u>22</u>	<u>22</u>

13 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	2	1
Other taxation and social security	5	5
Other creditors	6	6
Accruals and deferred income	23	28
	<u>36</u>	<u>40</u>

GRETTON PRIMARY SCHOOL

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

14	Deferred income				2016	2015
					£000	£000
	Deferred income is included within:					
	Creditors due within one year				18	17
	Deferred income at 1 September 2015				17	25
	Released from previous years				(17)	(25)
	Amounts deferred in the year				18	17
	Deferred income at 31 August 2016				18	17
15	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	-	389	(384)	(5)	-
	Other DfE / EFA grants	-	41	(38)	(3)	-
	Other government grants	-	13	(13)	-	-
	Other restricted funds	10	16	(19)	-	7
	Funds excluding pensions	10	459	(454)	(8)	7
	Pension reserve	(71)	-	(4)	(22)	(97)
		(61)	459	(458)	(30)	(90)
	Restricted fixed asset funds					
	DfE / EFA capital grants	1,074	-	(19)	-	1,055
	Total restricted funds	1,013	459	(477)	(30)	965
	Unrestricted funds					
	General funds	84	8	-	8	100
	Total funds	1,097	467	(477)	(22)	1,065

GRETTON PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Funds

(Continued)

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

The restricted general fund includes grants receivable from the EFA/DfE, LA and other government grants towards the operating activities of the Academy administered by the charitable company.

The fixed asset fund includes amounts receivable from the EFA and other sponsors in respect of tangible fixed assets held for Academy use.

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.

16 Analysis of net assets between funds

	Unrestricted funds £000	Restricted funds £000	Fixed asset funds £000	Total funds £000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	1,055	1,055
Current assets	136	7	-	143
Creditors falling due within one year	(36)	-	-	(36)
Defined benefit pension liability	-	(97)	-	(97)
	<u>100</u>	<u>(90)</u>	<u>1,055</u>	<u>1,065</u>

17 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for teaching staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Gloucestershire County 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.

Contributions amounting to £5,834 (2015: £6,005) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

GRETTON PRIMARY SCHOOL

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

17 Pensions and similar obligations

(Continued)

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 £31,632.

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 19.7% for employers and 6.1% for employees. The estimated value of employer contributions for the forthcoming year is £21,000.

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

GRETTON PRIMARY SCHOOL

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

17 Pensions and similar obligations (Continued)

Total contributions made	2016 £000	2015 £000
Employer's contributions	20	18
Employees' contributions	4	4
Total contributions	24	22
Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	2.4	4.0
Rate of increase for pensions in payment	2.1	2.6
Discount rate	2.0	3.7
Inflation assumption (CPI)	2.1	2.7

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	22.5	22.5
- Females	24.6	24.6
Retiring in 20 years		
- Males	24.4	24.4
- Females	27.0	27.0

The academy trust's share of the assets in the scheme	2016 Fair value £000	2015 Fair value £000
Equities	75	48
Bonds	23	16
Cash	4	1
Property	8	6
Total market value of assets	110	71

The actual return on the Scheme assets was 18.2% for the year.

GRETTON PRIMARY SCHOOL

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

17	Pensions and similar obligations	(Continued)	
	Amounts recognised in the statement of financial activities	2016	2015
		£000	£000
	Current service cost (net of employee contributions)	21	19
	Net interest cost	3	2
		<u> </u>	<u> </u>
	Changes in the present value of defined benefit obligations		2016
			£000
	Obligations at 1 September 2015		142
	Current service cost		21
	Interest cost		6
	Employee contributions		4
	Actuarial loss		34
			<u> </u>
	At 31 August 2016		207
			<u> </u>
	Changes in the fair value of the academy trust's share of scheme assets		2016
			£000
	Assets at 1 September 2015		71
	Interest income		3
	Return on plan assets (excluding amounts included in net interest):		
	Actuarial gain		12
	Employer contributions		20
	Employee contributions		4
			<u> </u>
	At 31 August 2016		110
			<u> </u>
18	Reconciliation of net income to net cash inflow/(outflow) from operating activities	2016	2015
		£000	£000
	Net income	(10)	1
	Investment income	(1)	-
	Defined benefit pension costs less contributions payable	1	1
	Defined benefit pension finance costs/(income)	3	2
	Depreciation of tangible fixed assets	19	18
	(Increase)/decrease in debtors	-	4
	Increase/(decrease) in creditors	(4)	(30)
		<u> </u>	<u> </u>
	Net cash inflow/(outflow) from operating activities	8	(4)
		<u> </u>	<u> </u>

GRETTON PRIMARY SCHOOL

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

19	Reconciliation of net cash flow to movement in net funds	2016 £000	2015 £000
	Increase/(decrease) in cash	6	(4)
	Net funds at 1 September 2015	115	119
		<u> </u>	<u> </u>
	Net funds at 31 August 2016	121	115
		<u> </u>	<u> </u>

20 Contingent liabilities

In 2015, the academy trust received £12,087 from the EFA as a capital maintenance grant for kitchen improvements for the provision of school dinners. As at 31 August 2016, an amount of £7,352 is still unused of this grant although there will be some spending in 2016/17. This balance is shown as a restricted fund in the accounts.

21 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	1	-
Amounts due in two and five years	2	5
	<u> </u>	<u> </u>
	3	5
	<u> </u>	<u> </u>

22 Related party transactions

No related party transactions took place in the period of account except as disclosed in note 9.

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.