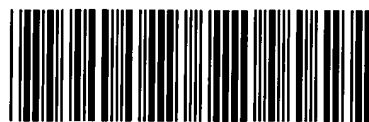


Company Registration Number: 08842936 (England and Wales)

**Shirley Manor Primary Academy
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements
Year ended 31 August 2016**

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Shirley Manor Primary Academy
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Shirley Manor Primary Academy
Reference and Administrative Details

Members	<p>Mr S Casey (Chair)*</p> <p>Mr A Woodhouse*</p> <p>Mrs V Nixon*</p>
Trustees	<p>Mrs M Neill (Head Teacher - retired 31/08/2016)</p> <p>Mrs H Lacy (Head Teacher - appointed 01/09/2016)</p> <p>Mrs T Copley (Staff trustee 1)*</p> <p>Mrs G Whitmore (Staff trustee 2)</p> <p>Cllr D Warburton (LA)*</p> <p>Mr A Petch (Responsible Officer)*</p> <p>Cllr D Robinson (Associate, resigned 10/05/2016)*</p> <p>Mr D Bennett (Associate, removed 1/10/2015)</p> <p> * Members of the finance and general purposes committee</p>
Senior Management Team:	<p>Mrs M Neill (Head Teacher) (resigned 31 August 2016)</p> <p>Mrs H Lacey (Head Teacher (appointed 1 September 2016)</p> <p>Mrs J Ramsay (Assistant Head Teacher)</p> <p>Mrs T Ford (Assistant Head Teacher)</p> <p>Mrs J Carnelly (Early Years Leader)</p> <p>Mrs T Copley (School Business Manager)</p>
Company Name	Shirley Manor Primary Academy
Principal and Registered Office	<p>Methuen Oval</p> <p>Wyke</p> <p>Bradford</p> <p>BD12 8SA</p>
Company Registration Number	08442936 (England and Wales)
Independent Auditor	<p>Gibson Booth Chartered Accountants and Statutory Auditors</p> <p>New Court</p> <p>Abbey Road North</p> <p>Shepley</p> <p>Huddersfield</p> <p>HD8 8BJ</p>
Bankers	<p>Barclays Bank Plc</p> <p>10 Market Street</p> <p>Bradford</p>
Solicitors	<p>Schofield Sweeney LLP</p> <p>Church Bank House</p> <p>Church Bank</p> <p>Bradford</p>

Shirley Manor Primary Academy

Trustees' Report

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period from 01 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in South Bradford. It has a pupil capacity of 236 (including nursery). The Academy had a roll of 209 pupils as at the school census on 2nd October 2015.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company was incorporated on 13 January 2014 and opened as an academy on 1 March 2014. The charitable company's memorandum and articles of association are the primary governing documents of the academy.

The trustees of Shirley Manor Primary Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Shirley Manor Primary Academy.

Details of the trustees who served during the year are included in the reference and administrative details on pages 1.

Members' Liability

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

Trustees' Indemnities

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 business. The insurance provides cover up to £5,000,000. The cost of this insurance is included in the total insurance premium charged to the Academy Trust but cannot be separately identified.

Principal Activities

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in South Bradford. It has a pupil capacity of 236 (including nursery). The Academy had a roll of 209 pupils as at the school census on 2nd October 2014.

Method of Recruitment and Appointment or Election of Trustees and Governors

- In accordance with the Academy's Articles of Association, the members of the trust may appoint up to five Governors.
- Staff Governors are nominated by the staff employed at the Academy or by a secret ballot if there are more nominations than vacancies. If there are insufficient nominations, the Governing Body may appoint a staff Governor from amongst the employees. The total number of Governors (including the Principal) who are employees of the Academy Trust shall not exceed one third of the total number of Governors.
- A minimum of two parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected.
- The Local Authority may appoint one LA Governor.

Policies and procedures adopted for the induction and training of governors

Training and induction of new Governors is dependent on existing experience, and is offered in line with the Governors' Induction Policy.

The Governing Body and Headteacher believe it is essential that all new governors receive a comprehensive induction package covering a broad range of issues and topics. There is a commitment to ensure that the new governors are given the necessary information and support to fulfil their role with confidence. The Academy subscribes to the Local Authority Governor Support Service, who provides training for newly appointed and existing members on financial, educational and legal matters. Ongoing training is also provided by external consultants, and by members of staff and trustees. The process is seen as an investment, leading to more effective governance and retention of governors.

Shirley Manor Primary Academy

Trustees' Report (continued)

Organisational Structure

The management structure consists of the Senior Leadership Team and the Governing Body.

The Governing Body meet each half-term. Sub-committees of the Governing Body also meet regularly throughout the year to discuss and monitor finance, facilities, staffing and school improvement.

The Governing Body is responsible for setting general policy, adopting the School Improvement Plan and budget, approving the statutory accounts, monitoring the budget and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Governing Body may delegate such powers and functions as they consider are required by the Headteacher for the internal organisation, management and control of the academy (including the implementation of all policies approved by the governors and for the direction of the teaching and curriculum at the Academy).

The Headteacher is the accounting officer. The Headteacher, supported by the Leadership Team, manages the school at an executive level, implementing policies set by the Governing Body and reporting back to them. Governors have delegated the day-to-day management of the Academy to the Headteacher, including authorisation of purchases within agreed limits and the appointment of staff, though recruitment panels for the appointment of senior posts always contain a Governor.

Arrangements for setting pay and remuneration of key management personnel

The Governing Body have adopted the Bradford PACT HR Pay Policy and staff pay and remuneration is agreed in line with this policy. The Academy has a Pay Committee who is responsible for setting annual targets for the headteacher in accordance with the agreed performance management and appraisal policy.

Related parties and other connected charities and organisations

Working with other local and national schools: As an academy we are committed to enhancing the experiences of our children, outreach working and to sharing our good practice.

- Reception Teacher is a moderator for EYFS for Bradford and an SLE (Specialist Leader in Primary Science.)
- The Reception Teacher has been awarded the National Science Teacher of the Year Award
- We achieved the Investors in Health Award during the summer term.
- SMPA hosted several days of science training in 2015-16 for School Direct students.
- SMPA has hosted numerous students from Huddersfield University, including block placements.
- HT works with the Bradford Birth-19 Teaching Alliance as a Tutor for School Direct Trainees
- SMPA is a strategic member of the Bradford Birth-19 SCITT
- The HT works as a peer reviewer as part of the Bradford Reviews programme
- SMPA is an active member of the BD12 Family of Schools cluster which meets regularly at HT and teacher level to drive school improvement and attainment across core subjects, EYFS, SEN, G&T and "Most Able."
- SMPA has led many training initiatives within the BD12 group and hosts "lead teacher" hub meetings and Head Teacher meetings.
- SMPA Governors work in a triad with 2 other local primaries in BD12 to share additional governance.
- We align our work with that of Wyke Children's Centre and work on collaborative projects such transition and 2-year old provision
- We are currently exploring the option of joining a Multi-Academy Trust and are constantly looking for other collaborations to benefit our pupils and wider community.
- We are committed to working widely. SMPA is an Outreach Centre for the Leeds Donkey Sanctuary Charity and hosts weekly therapeutic sessions for both SMPA children with additional needs and for children from neighbouring Special Schools who are unable to access this service in their own schools. This provision is having positive impact on attitudes to school and learning.
- We work closely with the Moravian Chapel in Lower Wyke and the Westfield Chapel in Wyke. We also have links with St. Mary's Church in Wyke. We raise funds for various charities including The Bradford Metropolitan Food Bank, The Wyke Food Bank, McMillan Nurses, Sport Relief, Comic Relief, BCFC
- During the year we have taken part in the apprenticeship scheme. We have employed two apprentices, one in our EYFS and one in Admin.

Shirley Manor Primary Academy

Trustees' Report (continued)

Objectives, Strategies and Activities

Object and aims

In addition to the Principal Activities outlined earlier in this report, the aims of the academy trust (as set down in section 1A (1) of the Academies Act 2010) are that:

- it is an independent school;
- it has a curriculum satisfying the requirements of section 78 of the Education Act 2002 (balanced and broadly based curriculum);
- it provides education for pupils of different abilities; and
- it provides education for pupils who are wholly or mainly drawn from the area in which the academy is situated and is not an alternate provision academy.

Other conditions and requirements in respect of the academy are that:

- the school will be at the heart of its community promoting community cohesion and sharing facilities with other schools and the wider community;
- there will be assessments of pupils' performance as they apply to maintained schools;
- the admissions policy and arrangements for the school will be in accordance with admission law and the DfE Codes of Practice as they apply to maintained schools;
- staff levels of pay and conditions of service for all employees will be the responsibility of the Academy Trust;
- there will be an emphasis on the needs of the individual pupils with special education needs (SEN), both those with and without statements of SEN or Education and Health Care Plans (EHC);
- there will be no charge in respect of admission to the school and the school will only charge pupils where the law allows maintained schools to charge; and
- the Academy Trust shall have an appropriate mechanism for the receipt and management of donations and shall use reasonable endeavours to procure donations through that mechanism for the purpose of the objects specified in the Articles of Association.

Objectives strategies and activities

To achieve our objectives and aims, the Academy Trust is governed, led and managed in a way which facilitates self-evaluation, ambitious target setting, prudent budgeting and effective improvement planning.

The long term aims, objective and strategies are set at an annual Trustees School Improvement Meeting and are reviewed throughout the year during board of trustees meetings.

Our strategic priorities are:

- Ensuring secure educational assessment systems for life after levels across the age ranges;
- Ensuring secure baselining for each year group including Early Years;
- Continuing to achieve high standards of pupil attainment, pupil progress and pupil achievement;
- Continued business development and development of partnerships; and
- Maintenance and development of the physical spaces of the school.

These themes are complemented by the priorities for improvement which for the period of this report included:

- achieving higher levels in reading and phonics across school;
- addressing the cohort related dips in attainment across school;
- continuing to develop high quality teacher feedback to pupils;
- embedding alternative assessment systems to replace curriculum levels in;
- embedding the implementation and delivery of the National Curriculum 2 and introducing KPI's;
- increase attendance and punctuality of key groups of pupils; and
- Continue to improve parental and pupil awareness of healthy lifestyles following achieving the Investors in Health Award.

Public Benefit

All of the activities undertaken by the academy trust will aim to advance the public benefit of education in the Bradford Metropolitan District Council Area. As such the primary objective of the Academy Trust is to support this objective with no financial return to any trustee.

The Academy Trust confirms that the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties and when reviewing the charity's aims and objectives in planning future activities.

The principal public benefit delivered by the academy trust is the provision of a high quality education to pupils, in line with the articles of association, as evidenced in the following pages.

The Trustees confirm that they have referred to the Charity Commissions Guidance.

Shirley Manor Primary Academy

Trustees' Report (continued)

Strategic Report

Achievements and Performance

Key Performance Indicators

The total number of pupils on roll as at October 2015 census date is: 209

Early Years: 54

KS1: 49

KS2: 106

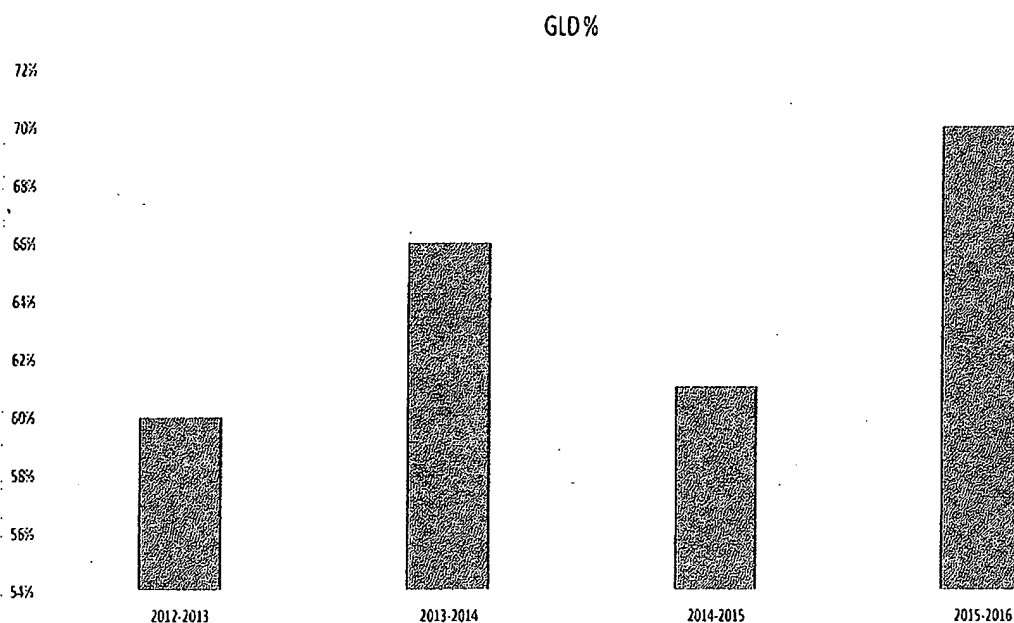
The published results for the 2015-2016 academic year are as follows:

Key Statistics and Context

Early Years Foundation Stage

- 30 pupils
- Girls 19, Boys 11
- 0 EAL
- 9 disadvantaged children
- 6 Autumn, 17 Spring, 17 Summer
- 3 SEN (1 EHCP, 2 SEN support)
- Low mobility: 1 child left after term 1 and 1 joined

Year	GLD%
2012-2013	60%
2013-2014	66%
2014-2015	61%
2015-2016	70%



Shirley Manor Primary Academy

Trustees' Report (continued)

Key Stage 1

- 21 pupils (data based on 19 pupils as 2 joined after SATs with no data)
- Boys 10
- Girls 11
- Disadvantaged 8 (38%)
- Vulnerable 10 (48%)
- SEN 6 (28% including 2 at range 3)
- Mobility 5
- Summer born 7 (33%)

	Below level 2 (0-12 points)		Level 2+ (13-20+)		Level 2b+ (15+ points)		Level 3 (20+ points)	
Reading	3.4%	6.6%	97%	93%	88.1%	80.3%	22.0%	26.2%
			(89.7)		(80.6)		(30.5)	
Writing	13.6%	14.8%	86%	85%	71.2%	65.6%	10.2%	14.8%
			(86.2)		(69.7)		(16.1)	
Maths	3.4%	4.9%	97%	95%	78.0%	75.4%	16.9%	21.3%
			(92.1)		(79.9)		(24.2)	

Attainment at the end of year 2

Reading	-	47% ARE
Writing	-	31%
Maths	-	52%
Phonic	-	43% passed second time

Attainment at the end of Year 6—July 2016

- Very low in reading and maths (R 37% , M 43%)
- Moderated W 80% (32% at Greater Depth)
- Above floor for progress across RWM
- 11 children achieved 'greater depth' in writing (LA moderation)
- Of those not reaching ARE, many had scaled scores of between 97 and 99
- This cohort had 11 SEND pupils – 2 EHCP (1 x ASD 1 x MLD, 3 who did not take SATs; 4 with absence issues; 6 with persistent lateness, 6 arrived in either Y4 or Y5, all very vulnerable (1 x carer for suicidal mum, 2 x CAMHS involvement, 6 x high anxiety, 1 x mum & dad taken into custody during summer Y6, 2 x living with grandmas to avoid being taken into care, 1 with PREVENT involvement etc); in addition, 2 x ongoing medical issues resulting in frequent hospital visits (wetting themselves in class), 1 x critically ill father.
- Data without 3 lowest SEN pupils - Average Scaled Scores: R 98.4, W105 M 99.5

Key Statistics and Context

- 35 children
- Vulnerable children 18 (51%): social services/CAMHS/PREVENT /police involvement
- Boys 16 (46%), Girls 19 (54%)
- Disadvantaged pupils 23 (66%) of which the majority had multiple indicators (see table 1)
- Summer born 15 (43%)
- SEN 9 (including 1 autistic spectrum & 3 sig learning difficulties) 3 of whom followed an alternative EYFS/KS1 curriculum & didn't take KS2 SATs
- Mobility— 7 joined in KS2

Closing the Gaps

- Parents attend targeted additional meetings with the class teacher, SEND coordinator and Learning Mentor/TA for vulnerable children.
- SEN observations and support in place e.g. precision teaching/ reading recovery training for staff.
- Provision for behaviour support e.g The Horizons Centre
- Bespoke teaching support linked writing and maths.
- Pastoral support e.g. restorative practice, Learning Mentor Referrals

Entry into Year 6

- Reading 17% at ARE
- Writing 20% at ARE
- Maths 17% at ARE

A significant number of children had social & emotional difficulties. Teaching was adapted and learning mentor interventions took place to improve relationships, develop anger management skills and raise self-esteem.

29 Y5 children re-joined 6 who spent Y5 in the previous Y6's class, + 1 new child with significant anger-management issues.

Shirley Manor Primary Academy

Trustees' Report (continued)

Year 1 Phonics Check 2016

76% of the cohort passed the phonics screen test compared to 81% nationally, however the average mark was in line with national.

79% of children in Year 2 passed the phonics re-check, compared to 91% nationally, however those children that did not pass has specific SEN.

Attendance 2016

Shirley Manor Primary Academy achieved an attendance level of 94.52% for the academic year 2015/16.

Teaching and learning

Shirley Manor Primary Academy achieved an attendance level of 94.52% for the academic year 2015/16.

Going Concern

After making appropriate enquiries, the Board of Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

Most of the academy trust's income is generated from the Education Funding Agency (EFA) and the Local Authority (LA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year and associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2016 the excess of expenditure over income on restricted funds, excluding pension fund movement and fixed asset funds, was £6,342, this was funded by GAG reserves brought forward.

The excess of expenditure over income on unrestricted funds was £872 for the period. This can be used for any purposes within the Academy's charitable objects.

The Academy also received capital funding of £6,203 during the period. Details are shown in note 2.

The Academy held unrestricted funds as at 31 August 2016 of £80,431. Total restricted funds were (£427,157), including the pension scheme reserve of (£479,000). The Fixed Asset funds as at 31 August 2016 were £1,835,972.

The governing body annually monitors the three year budgets to ensure the trust remains financially viable.

Principal risks and uncertainties

As part of the conversion process the trustees assessed major risks to which the academy trust is exposed, in particular those relating to the specific provision of teaching, facilities management, pupil welfare and other operational areas of the academy trust and its finances. Procedures are in place to safeguard children and staff and systems are in place to assess health and safety issues. A number of systems are in place in relation to the control of finance and where significant financial risk still remains there is adequate insurance cover.

The trustees observe that there are continuing changes to the environment in which the academy trust operates and as such will be monitoring risks on a quarterly basis.

The risk management process will cover:

- the type of risk the academy trust faces;
- the level of risks which they regard as acceptable;
- the likelihood of risks materializing;
- the academy trust's ability to reduce the incidence and the impact on the academy trust's operations of risks that do materialise;
- the cost of operating particular controls relative to the benefits obtained; and
- develop systems to respond quickly to evolving risks arising from factors within the academy trust and to changes in the external environment.

Financial and risk management objectives and policies

The Academy Trust's dealings with financial instruments are limited to bank accounts, creditors and debtors. This limitation serves to minimise credit and liquidity risks when this is combined with the nature the Academy Trust's debtors (being principally Government bodies and other schools) and therefore the risk to cash flow is also minimal.

Shirley Manor Primary Academy

Trustees' Report (continued)

Reserves Policy

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

As at 31 August 2016, the academy trust held £80,431 in unrestricted funds and £51,843 in restricted reserves (excluding pension liability). The trustees believe that these funds are sufficient for future operational requirements.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with the provision of FRS17.

Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Principal within strict guidelines approved by the board of trustees.

Plans for Future Periods

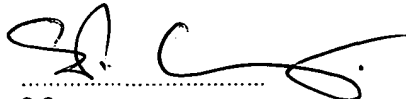
The main priorities for future financial planning are:

- Improvements to outdoor provision, with a particular focus on EYFS, to provide the best facilities for the children attending the Academy;
- Explore other funding streams; and
- Fully meeting the objects of our Articles in particular the curriculum and developing the capacity and skills of those inhabitants of the area of benefit who are socially and economically disadvantaged in such a way that they feel they are better able to identify and help meet their needs and participate fully in society.

Statement as to Disclosure of Information to Auditors

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware; and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

Approved by order of the board of trustees 6.12.16 and signed on its behalf by:



S Casey
Chair of Trustees

Shirley Manor Primary Academy

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the 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 Shirley Manor Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr S Casey (Chair)	5	6
Mr A Woodhouse (Vice)	6	6
Mrs V Nixon	6	6
Mr A Petch (Responsible Officer)	6	6
Cllr D Warburton	4	6
Mrs T Copley (Staff Trustee)	5	6
Mrs G Whitmore (Staff Trustee)	6	6
Cllr D Robinson (Associate)	4	4
Mrs M Neill (Ex-Officio, Accounting Officer)	6	6

The finance and general purposes committee of is a sub-committee of the main board of trustees. Its purpose is to:

- Assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility;
- Ensure sound management of the Academy's finances and resources including the buildings;
- Ensure that the Academy undertakes proper planning, monitoring and probity;
- Ensure that financial transactions give good value for money;
- Make appropriate comment and recommendations of such matters to the governing body on a regular basis; and
- Major issues will be referred to the full governing body for ratification.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
Mr S Casey (Chair)	5	5
Mr A Woodhouse	3	5
Mrs V Nixon	4	5
Mr A Petch (Responsible Officer)	5	5
Cllr D Warburton	4	5
Mrs T Copley (Staff Trustee)	5	5
Cllr D Robinson (Associate)	1	2
Mrs M Neill (Ex-Officio, Accounting Officer)	5	5

Shirley Manor Primary Academy

Governance Statement (continued)

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:

- We set Targets and closely monitor teaching and learning to ensure that all pupils, including disadvantaged and those with Special Educational Needs and Disability, make the best possible progress from their starting points;
- Quarterly budget monitoring is presented to the Finance & General Purposes Committee for review and approval;
- We ensure that the Academy's Finance Policy and Procedures are adhered to;
- When looking at ways to maintain and improve our school we obtain a range of quotes looking for good prices and best value; and
- Members of teaching Staff who are seconded to the Bradford Birth to 19 Alliance, Northern Lights, the Exceed Alliance and those who work on behalf of the Bradford Primary Partnership are appropriately funded to cover their time; this funding is paid directly into the school budget.

The Purpose and the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Shirley Manor Primary Academy for the period from 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 operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period from 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function. The governors re-appointed Mr A Petch as Responsible Officer, who has delegated the task of performing a range of checks on the academy trusts financial systems to Gibson Booth, external auditors. This role includes producing a report to the board of trustees, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. No material control issues have been noted during the year

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:

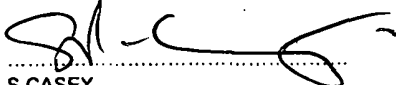
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

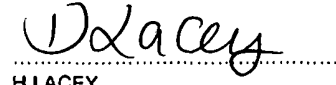
Shirley Manor Primary Academy

Governance Statement (continued)

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

Approved by order of the members of the board of trustees on 6.12.16 and signed on its behalf by:


.....
S CASEY
Chair of Trustees


.....
H LACEY
Accounting Officer

Shirley Manor Primary Academy

Statement of Regularity, Propriety and Compliance

As accounting officer of Shirley Manor Primary Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the multi-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 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.


.....
H LACEY
Accounting Officer

6.12.16

Shirley Manor Primary Academy

Statement of Trustees' Responsibilities

The trustees (who act as governors of Shirley Manor Primary Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published 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 financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

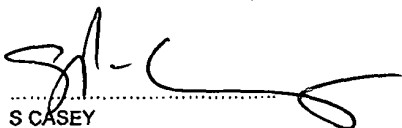
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 6.12.16 and signed on its behalf by:



S CASEY
Chair of trustees

Shirley Manor Primary Academy

Independent Auditor's Report to the Members of Shirley Manor Primary Academy

We have audited the financial statements of Shirley Manor Primary Academy 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements 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 financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 financial statements 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.

Alistair Russell FCA (For and on behalf of)
Gibson Booth Chartered Accountants
and Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

ARS Russell

16.12.16

Shirley Manor Primary Academy

Independent Reporting Accountant's Assurance Report on Regularity to Shirley Manor Primary Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 9 December 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 Shirley Manor Primary Academy during the period from 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 Shirley Manor Primary Academy and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Shirley Manor Primary Academy and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Shirley Manor Primary Academy and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Shirley Manor Primary Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Shirley Manor Primary Academy's funding agreement with the Secretary of State for Education dated 26 February 2014 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 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 includes:

- an initial risk assessment, the results of which were used to tailor a specific work programme to ensure sufficient appropriate evidence could be obtained to support the conclusion;
- a review of the academy trust's accounting and internal control procedures; and
- consideration and review of the evidence supporting the accounting officer's statement on regularity, propriety and compliance.

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 from 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.

Gibson Booth Chartered Accountants
and Statutory Auditors
New Court
Abbey Road North
Shepley
Huddersfield
HD8 8BJ

Gibson Booth

16/12/16

Shirley Manor Primary Academy

Statement of Financial Activities for the year ended 31 August 2016 (Including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016	Total 2015
	Note	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	2	-	1,471	6,203	7,674	5,933
Charitable activities:						
Funding for the academy trust's educational operations	3	-	1,169,367	-	1,169,367	1,107,009
Other trading activities	4	872	-	-	872	2,002
Total		<u>872</u>	<u>1,170,838</u>	<u>6,203</u>	<u>1,177,913</u>	<u>1,114,944</u>
Expenditure on:						
Raising funds	5	-	-	-	-	2,562
Charitable activities:						
Academy trust educational operations	5,6	-	1,196,180	45,475	1,241,655	1,122,359
Total		<u>-</u>	<u>1,196,180</u>	<u>45,475</u>	<u>1,241,655</u>	<u>1,124,921</u>
Net income / (expenditure)		872	(25,342)	(39,272)	(63,742)	(9,977)
Transfers between funds	14	-	-	-	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	14,19	-	(284,000)	-	(284,000)	7,000
Net movement in funds		<u>872</u>	<u>(309,342)</u>	<u>(39,272)</u>	<u>(347,742)</u>	<u>(2,977)</u>
Reconciliation of funds						
Total funds brought forward		<u>79,559</u>	<u>(117,815)</u>	<u>1,875,244</u>	<u>1,836,988</u>	<u>1,839,965</u>
Total funds carried forward		<u>80,431</u>	<u>(427,157)</u>	<u>1,835,972</u>	<u>1,489,246</u>	<u>1,836,988</u>

Shirley Manor Primary Academy
Balance Sheet as at 31 August 2016

		2016	2015
	Note	£	£
Fixed assets			
Tangible assets	10	1,833,319	1,860,872
Current assets			
Stock	11	900	900
Debtors	12	37,603	50,796
Cash at bank and in hand		259,097	314,387
		<u>297,600</u>	<u>366,083</u>
Creditors: Amounts falling due within one year	13	(162,673)	(213,967)
Net current assets		<u>134,927</u>	<u>152,116</u>
Total assets less current liabilities		<u>1,968,246</u>	<u>2,012,988</u>
Net assets excluding pension liability		<u>1,968,246</u>	<u>2,012,988</u>
Defined benefit pension scheme liability	19	(479,000)	(176,000)
Total assets		<u><u>1,489,246</u></u>	<u><u>1,836,988</u></u>
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	14	1,835,972	1,875,244
Restricted income fund	14	51,843	58,185
Pension reserve	14	(479,000)	(176,000)
Total restricted funds		<u>1,408,815</u>	<u>1,757,429</u>
Unrestricted income funds	14	<u>80,431</u>	<u>79,559</u>
Total funds		<u><u>1,489,246</u></u>	<u><u>1,836,988</u></u>

The financial statements on pages 17 - 36 were approved by the Trustees, and authorised for issue on 6.12.16 and are signed on their behalf by:



Mr S Casey
Trustee

Company Registration Number: 08842936

Shirley Manor Primary Academy

Statement of Cash Flows for the year ended 31 August 2016

		2016	2015
	Note	£	£
Cash flows from operating activities			
Net cash provided by (used in) operating activities	17	(43,571)	(30,636)
Cash flows from investing activities			
Purchase of tangible fixed assets		(17,922)	(10,535)
Capital grants from DfE/EFA		6,203	5,933
		<u>(11,719)</u>	<u>(4,602)</u>
Change in cash and cash equivalents in the reporting period		<u>(55,290)</u>	<u>(35,238)</u>
Cash and cash equivalents at 1 September 2015		314,387	349,625
Cash and cash equivalents at the 31 August 2016		<u>259,097</u>	<u>314,387</u>

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016

1 Statement of 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.

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Shirley Manor Primary Academy Trust meets the definition of a public benefit entity under FRS 102.

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 21.

Going Concern

The Trustees 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 Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other Income

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

Donated goods, facilities and services

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

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016

1 Statement of Accounting Policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on 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.

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold land	Over 125 years, the term of the lease
Leasehold buildings	2% straight line
Fixtures, fittings and equipment	20% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016

1 Statement of Accounting Policies (continued)

Investments

The academy's shareholding in the wholly owned subsidiary, ABC Limited, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

Other investments are included in the balance sheet at their fair value. Any gain or loss on revaluation is included in the Statement of Financial Activities.

Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

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 part 11, chapter 3 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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 funders where the asset acquired or created is held for a specific purpose.

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

1 Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pensions 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.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets.

Critical areas of judgement

No significant judgements have been made in the process of applying the entity's accounting policies.

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

2 Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2016
	£	£	£
Capital Grants	-	6,203	6,203
Donations	-	1,471	1,471
	<u>-</u>	<u>7,674</u>	<u>7,674</u>
	Unrestricted Funds	Restricted Funds	Total 2015
	£	£	£
Capital Grants	-	5,933	5,933
	<u>-</u>	<u>5,933</u>	<u>5,933</u>

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2016
	£	£	£
DfE / EFA grants			
General Annual Grant (GAG)	-	885,824	885,824
Other DfE/EFA grants	-	156,549	156,549
	<u>-</u>	<u>1,042,373</u>	<u>1,042,373</u>
Other Government grants			
Local authority grants	-	92,140	92,140
	<u>-</u>	<u>92,140</u>	<u>92,140</u>
Other income from the academy trust's educational operations	-	34,854	34,854
	<u>-</u>	<u>1,169,367</u>	<u>1,169,367</u>
	Unrestricted Funds	Restricted Funds	Total 2015
	£	£	£
DfE / EFA grants			
General Annual Grant (GAG)	-	827,555	827,555
Other DfE/EFA grants	-	157,553	157,553
	<u>-</u>	<u>985,108</u>	<u>985,108</u>
Other Government grants			
Local authority grants	-	86,478	86,478
	<u>-</u>	<u>86,478</u>	<u>86,478</u>
Other income from the academy trust's educational operations	-	35,423	35,423
	<u>-</u>	<u>1,107,009</u>	<u>1,107,009</u>

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

4 Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2016
	£	£	£
Hire of facilities	872	-	872
	<u>872</u>	<u>-</u>	<u>872</u>

	Unrestricted Funds	Restricted Funds	Total 2015
	£	£	£
Hire of facilities	564	-	564
Other income	1,438	-	1,438
	<u>2,002</u>	<u>-</u>	<u>2,002</u>

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

5 Expenditure

	Staff Costs	Non Pay Expenditure		Total
		Premises	Other	2016
	£	£	£	£
Academy's educational operations:				
Direct costs	755,642	45,475	84,655	885,772
Allocated support costs	120,070	84,531	151,282	355,883
	<u>875,712</u>	<u>130,006</u>	<u>235,937</u>	<u>1,241,655</u>

	Staff Costs	Non Pay Expenditure		Total
		Premises	Other	2015
	£	£	£	£
Expenditure on raising funds	-	-	2,562	2,562
Academy's educational operations:				
Direct costs	684,174	42,112	63,618	789,904
Allocated support costs	109,465	78,524	144,466	332,455
	<u>793,639</u>	<u>120,636</u>	<u>210,646</u>	<u>1,124,921</u>

Net income/(expenditure) for the period includes:

	2016	2015
	£	£
Operating lease rentals	4,049	4,049
Depreciation	45,475	42,112
Fees payable to auditor for:		
- audit	2,650	2,600
- other services	<u>2,580</u>	<u>5,300</u>

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

6 Charitable Activities

	Total 2016 £	Total 2015 £
Direct costs – educational operations	885,772	789,904
Support costs – educational operations	355,883	332,455
	<u>1,241,655</u>	<u>1,122,359</u>

Analysis of support costs	Educational operations £	Total 2016 £	Educational operations £	Total 2015 £
Support staff costs	120,070	120,070	105,855	105,855
Technology costs	3,880	3,880	3,751	3,751
Premises costs	84,530	84,530	78,524	78,524
Other support costs	142,173	142,173	126,945	126,945
Governance costs	5,230	5,230	7,380	7,380
Total support costs	<u>355,883</u>	<u>355,883</u>	<u>322,455</u>	<u>322,455</u>

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

7 Staff

a. Staff costs

Staff costs during the period were:

	Total 2016 £	Total 2015 £
Wages and salaries	648,912	610,031
Social security costs	47,817	41,544
Operating costs of defined benefit pension schemes	107,832	97,111
	<u>804,561</u>	<u>748,686</u>
Supply staff costs	71,151	44,953
	<u>875,712</u>	<u>793,639</u>

b. Staff numbers

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

	2016 No.	2015 No.
Teachers	7	6
Administration and support	25	21
Management	3	3
	<u>35</u>	<u>30</u>

c. Higher paid staff

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

	2016 No.	2015 No.
£60,001 - £70,000	1	-
	<u>1</u>	<u>-</u>

d. 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 £301,114 (2015: £283,273).

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

8 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

Mrs M Neill (principal and trustee):

- Remuneration: £60,000 - £65,000 (2015: £55,000 - £60,000)
- Employer's pension contributions paid: £10,000 - £15,000 (2015: £5,000 - £10,000)

Staff trustee 1 (staff trustee):

- Remuneration: £25,000 - £30,000 (2015: £25,000 - £30,000)
- Employer's pension contributions paid: £nil - £5,000 (2015: £nil - £5,000)

Staff trustee 2 (staff trustee):

- Remuneration: £30,000 - £35,000 (2015: £30,000 - £35,000)
- Employer's pension contributions paid: £5,000 - £10,000 (2015: £nil - £5,000)

During the period ended 31 August 2016, travel and subsistence expenses totalling £123 were reimbursed or paid directly to 2 trustees (2015: £nil to nil trustees).

Other related party transactions involving the trustees are set out in note 20.

9 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

10 Tangible Fixed Assets

	Leasehold Land and Buildings	Furniture and Equipment	Total
	£	£	£
Cost			
At 1 September 2015	1,889,000	34,670	1,923,670
Additions	-	17,922	17,922
At 31 August 2016	<u>1,889,000</u>	<u>52,592</u>	<u>1,941,592</u>
Depreciation			
At 1 September 2015	55,143	7,655	62,798
Charged in year	<u>36,762</u>	<u>8,713</u>	<u>45,475</u>
At 31 August 2016	<u>91,905</u>	<u>16,368</u>	<u>108,273</u>
Net book values			
At 31 August 2016	<u>1,797,095</u>	<u>36,224</u>	<u>1,833,319</u>
At 31 August 2015	<u>1,833,857</u>	<u>27,015</u>	<u>1,860,872</u>

11 Stock

	2016	2015
	£	£
Clothing	900	900
	<u>900</u>	<u>900</u>

12 Debtors

	2016	2015
	£	£
Other debtors	11,026	15,271
Prepayments and accrued income	<u>26,577</u>	<u>35,525</u>
	<u>37,603</u>	<u>50,796</u>

13 Creditors: Amounts falling due within one year

	2016	2015
	£	£
Accruals and deferred income	162,673	213,967
	<u>162,673</u>	<u>213,967</u>
Deferred Income		
	2016	2015
	£	£
Deferred income at 1 September 2015	15,508	14,081
Released from previous years	(15,508)	(14,081)
Resources deferred in the year	<u>10,834</u>	<u>15,508</u>
Deferred Income at 31 August 2016	<u>10,834</u>	<u>15,508</u>

Deferred income at the year-end included trip monies and free school meals income received in advance.

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

14 Funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	58,185	885,824	(892,166)	-	51,843
Other DfE/EFA grants	-	156,549	(156,549)	-	-
Other income	-	128,465	(128,465)	-	-
Pension reserve	(176,000)	-	(19,000)	(284,000)	(479,000)
	<u>(117,815)</u>	<u>1,170,838</u>	<u>(1,196,180)</u>	<u>(284,000)</u>	<u>(427,157)</u>
Restricted fixed asset funds					
Transfer on conversion	1,846,194	-	(40,287)	-	1,805,907
DfE/EFA capital grants	29,050	6,203	(5,188)	-	30,065
Capital expenditure from GAG	-	-	-	-	-
	<u>1,875,244</u>	<u>6,203</u>	<u>(45,475)</u>	<u>-</u>	<u>1,835,972</u>
Total restricted funds	<u>1,757,429</u>	<u>1,177,041</u>	<u>(1,241,655)</u>	<u>(284,000)</u>	<u>1,408,815</u>
Total unrestricted funds	<u>79,559</u>	<u>872</u>	<u>-</u>	<u>-</u>	<u>80,431</u>
Total funds	<u>1,836,988</u>	<u>1,177,913</u>	<u>(1,241,655)</u>	<u>(284,000)</u>	<u>1,489,246</u>

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

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.

The restricted general funds relate to grants and other income receivable from the DfE, EFA and other sources towards the operating activities of the academy trust.

The restricted fixed asset funds represent the net book values of donated fixed assets and assets purchased out of income from other sources which are held for the continuing use of the academy trust. As at the year end, there was £2,653 of unspent capital grants.

15 Analysis of Net Assets between Funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds £
Tangible fixed assets	-	-	1,833,319	1,833,319
Current assets	80,431	214,516	2,653	297,600
Current liabilities	-	(162,673)	-	(162,673)
Pension scheme liability	-	(479,000)	-	(479,000)
Total net assets	<u>80,431</u>	<u>(427,157)</u>	<u>1,835,972</u>	<u>1,489,246</u>

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

16 Commitments under operating leases

At 31 August 2016 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£	£
Amounts due within one year	1,646	4,049
Amounts due between one and five years	-	1,646
	<u>1,646</u>	<u>5,695</u>

17 Reconciliation of Net Expenditure to Net Cash Flow from Operating Activities

	2016	2015
	£	£
Net expenditure for the reporting period	(63,742)	(9,977)
Adjusted for:		
Depreciation charges (note 10)	45,475	42,112
Capital grants from DfE and other capital income (note 2)	(6,203)	(5,933)
Defined benefit pension scheme cost less contributions payable (note 19)	13,000	11,000
Defined benefit pension scheme finance cost (note 19)	6,000	6,000
Decrease/(increase) in debtors	13,193	(16,890)
Decrease in creditors	(51,294)	(56,948)
Net cash used in Operating Activities	<u>(43,571)</u>	<u>(30,636)</u>

18 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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

Shirley Manor Primary Academy

Notes to the Financial Statements for the period ended 31 August 2016 (continued)

19 Pension 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. Both are multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation 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 TPS in the period amounted to £55,405 (2015: £45,364).

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 academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

19 Pension and Similar Obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2016 was £47,000 (2015: £43,000), of which employer's contributions totalled £34,000 (2015: £31,000) and employees' contributions totalled £13,000 (2015: £12,000). The agreed contribution rates for future years are 12.5% for employers and between 5.50 and 12.50% for employees.

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

The academy trust has entered into an agreement to make additional contributions to WYPF to reduce the scheme deficit. Additional contributions of £920 were made during the year and additional contributions of £950 per annum will be made in 2016/17.

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.40%	3.60%
Rate of increase for pensions in payment/inflation	1.90%	2.10%
Discount rate for scheme liabilities	2.00%	3.80%
Inflation assumption (CPI)	1.90%	2.10%

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.7	22.6
Females	25.6	25.5
<i>Retiring in 20 years</i>		
Males	24.9	24.8
Females	28.0	27.8

The academy's share of the assets in the scheme were:

	Fair value at 31 August 2016	Fair value at 31 August 2015
	£	£
Equity instruments	344,709	262,614
Debt instruments	70,686	51,900
Property	22,032	15,570
Other	21,573	15,916
Total market value of assets	<u>459,000</u>	<u>346,000</u>

The actual return on scheme assets was £71,000 (2015: £3,000).

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

19 Pension and Similar Obligations (continued)

Amounts recognised in the statement of financial activities

	2016	2015
	£	£
Current service cost	(47,000)	(45,000)
Net interest cost	(6,000)	(6,000)
Total operating charge	<u>(53,000)</u>	<u>(51,000)</u>

Changes in the present value of defined benefit obligations were as follows:

	2016	2015
	£	£
At 1 September	522,000	472,000
Current service cost	47,000	45,000
Interest cost	20,000	18,000
Employee contributions	13,000	12,000
Actuarial (gain)/loss	341,000	(16,000)
Benefits paid	(5,000)	(9,000)
Plan introductions, benefit changes, curtailments and settlements		
At 31 August	<u>938,000</u>	<u>522,000</u>

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

	2016	2015
	£	£
At 1 September	346,000	309,000
Interest income	14,000	12,000
Actuarial gain/(loss)	57,000	(9,000)
Employer contributions	34,000	31,000
Employee contributions	13,000	12,000
Benefits paid	(5,000)	(9,000)
Plan introductions, benefit changes, curtailments and settlements		
At 31 August	<u>459,000</u>	<u>346,000</u>

Shirley Manor Primary Academy

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

20 Related Party Transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 8.

21 Explanation of transition to FRS 102

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

Comparative figures have been restated to reflect the adjustments made.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of net income	31 August 2015 £
Net income previously reported under UK GAAP	23,000
Change in recognition of LGPS interest cost	(10,000)
Net movement in funds reported under FRS 102	<u>13,000</u>

Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit/debit to income/expense by £10,000 and increase the credit/debit in other recognised gains and losses in the SoFA by an equivalent amount.