
GREENHOLM PRIMARY SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

GREENHOLM PRIMARY SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

S Shorrock
M Biggs
F Glendenning

Trustees

M Biggs, Community Trustee
R Bissell, Community Trustee
L Brandon, Staff Trustee
G Byrne, Staff Trustee (Resigned 1 September 2015)
J Cale, Parent Trustee (Resigned 18 February 2016)
F Glendenning, Parent Trustee
K Trench, Community Trustee
H Haq, Staff Trustee
S Hervey, Staff Trustee (Appointed 15 October 2015)
K Evans, Community Trustee
M Singh-Khatkar, Community Trustee
M Myers, Parent Trustee
J Osborne, Community Trustee
C Phillips, Community Trustee
J Price, Community Trustee
S Rafiq, Parent Trustee
S Shorrock, Community Trustee and Chair
G Turner, Principal and Accounting Officer
N Younis, Parent Trustee (Appointed 14 March 2016)

Company registered number

08146396

Company name

Greenholm Primary School

Principal and registered office

Greenholm Road, Birmingham, West Midlands, B44 8HS

Senior management team

G Turner, Principal
A Halim, Deputy Head Teacher
H Haq, Assistant Head Teacher
B Simpson, Assistant Head Teacher
J Bird, Assistant Head Teacher

Independent auditors

Smith Cooper Limited, 158 Edmund Street, Birmingham, B3 2HB

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Bankers

Lloyds Bank plc, 595 Kingstanding Road, Birmingham, B44 9TB

Nationwide Building Society, 5 -11 St. George's Street, Douglas, Isle of Man, IM99 1AS

Barclays Bank PLC, 166 The Parade, Sutton Coldfield, B72 1PH

Solicitors

Browne Jacobson, Victoria Square House, Birmingham, B2 4BU

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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

Structure, governance and management

Constitution

The Academy trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Greenholm Primary School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Greenholm Primary School.

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

Members' liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors and omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

Parent Trustees are elected by parents of registered pupils at the Academy. A parent Trustee must be a parent of a pupil at the Academy at the time when she/he is elected.

Community Trustees may be appointed by the Governing Body provided that the person who is appointed is a

- Person who lives or works in the community served by the Academy; or
- A person who, in the opinion of the Governing Body, is committed to the governance and success of the Academy.

Staff Trustees are elected by employees of the Academy Trust.

The above selection procedures are:

Parent Governors – Vacancy advertised, applications received and voting papers sent out to all parents. Completed ballot papers are stored in a sealed ballot box. The votes are counted by 2 members of staff in the presence of a member of the senior management team. The successful candidate is contacted by the Head Teacher, and is invited to visit the school. The results of the ballot are displayed on the front gate of the school.

Community Governors – Elected from the local Community where a vacancy arises and where appropriate professional status will enhance the Governing Body.

Staff Governors – Applications requested in school where vacancies arise.

Policies and procedures adopted for the induction and training of trustees.

- The Governing Body has a Service Level Agreement with the Trustee Support department of Birmingham Local Authority, to provide training, advice and support to the Governing Body.
- Newly elected Trustees attend induction training and in addition select specific training provided by Trustee Support in accordance with their needs.
- One of the Trustees is appointed as Link Trustee, attends relevant training and provides information to Trustees following such training.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Organisational structure

The Governing Body has established committees and appoints Trustees to serve on each of the committees annually. The committees for the period of the reports were:

- Finance
- Health and Safety
- ICT strategy team
- Curriculum and standards
- Head teacher performance review
- Staffing and personnel, including appeals
- Inclusion

The written terms of reference of the committees include the monitoring, preparation and management of the Academy's budget and implementation of the Academy's financial management procedures, including risk management.

The Governors also employ an external financial provider for additional transparency, scrutiny and challenge.

Decisions relating to the overall running of the school are reserved for the board of trustees with written terms of reference that delegate specific powers of authority to the sub committees. Those responsibilities delegated to sub committees include Finance, Inclusion, Personnel and Staffing, Curriculum and Standards, Health and Safety.

Risk Management

The trustees confirm that, as part of the ongoing process, the major risks to which the Charitable Company is exposed have been reviewed and systems have been established to mitigate any risks identified. Business risk assessment is reviewed termly by the Finance committee and reported to the Governing body, to endorse any decisions made or action taken. The Finance committee- along with all other sub committees – meet every half term.

The major risks identified in the schools risk register include long-term demand risk, competition risk, finance risk, disaster risk, fraud risk, loss of key person. Systems that have been established to mitigate these risks include a robust School Improvement Plan with an SEN strategy in place as well as a good use of Pupil Premium.

Financial risk - clear division of duties, ensuring value for money on any spend, forward planning and projection, awareness of any potential changes to funding when forecasting budgets/ plans.

Insurance risks – ensure that comprehensive cover is held with appropriate agencies. Professional consultants visit the site regularly to review the level of cover required.

Disaster risk – emergency procedure plans in place.

The risk register identifies various risks at strategic, operational and compliance level. At Trustee level, clear agendas are set out which include the ratification of policies, terms of reference for sub committees etc. Opportunities are given at the start of every meeting for Trustees to declare any business interests.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Arrangements for setting pay and remuneration of key management personnel

All staff receive annual pay reviews following their performance management assessment. The leadership team's salaries and performance are reviewed by the Head Teacher, and the Personnel and Staffing Committee, during the first Autumn term meeting of this committee. The Committee will review the performance of the leadership team and subsequently make recommendations to the Head teacher regarding any progress up the leadership scale should the band allow this.

The performance of the Head Teacher is reviewed annually and termly by the Trustees who have this responsibility delegated to them by the Full Governing Body. The Trustees are supported in this role by the challenge advisor who is independent and whose services are paid for. Following the Head Teacher's Performance review the Trustees who are on the Personnel and Staffing Committee will review the Head Teachers pay. A member of the HT performance management review team also sits on the Personnel and Staffing Committee to report on the HT progress.

Related Parties and other connected charities and organisations

Greenholm Primary School is part of the Perry Barr Schools Consortium. The school is also signed up to the Birmingham Education Partnership (BEP).

Objectives and activities

The strategic goal of Greenholm Primary School is to provide a broad and balanced curriculum to all pupils in accordance with the Funding agreement between the Academy Trust and the Department for Education

The school aims to maintain and improve upon its Good status through;

- Ensuring that all teaching is at least good and often better
- Ensuring that pupils meet their academic targets in reading, writing, maths and SPaG in line with the School Improvement Plan
- Ensuring that behaviour and safeguarding is always good or better
- Providing Value for Money from all expenditure of the school budget
- Conducting Academy business openly, fairly and to a high standard
- Complying with all statutory curriculum requirements
- To ensure all pupils leave Greenholm Primary School as well rounded global citizens and understand their responsibilities to each other and to those less fortunate.
- To ensure that pupils have high aspirations for themselves moving forward.

Public benefit

In setting our objectives and planning activities, the Governing Body has given careful consideration to the Charity Commissions general guidance on public benefit with particular consideration being given to activities that will contribute to the set aims and objectives.

Greenholm Primary School is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Achievements and Performance

Across the school 90% of pupils achieved age related expectations and 10% achieved the higher standard.

- The school achieves higher standards in all areas when compared to national standards
- In EYFS, 80% achieved a Good level of development compared to 69% nationally
 - In year 1 92% achieved the phonics standard compared to 81% nationally.

At the end of Year 2

- 83% achieved the expected standard in reading compared to 74% nationally
- 78% achieved the expected standard in writing compared to 66% nationally
- 88% achieved the expected standard in maths compared to 73% nationally

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

At the end of year 6

- 82% achieved the expected standard in reading compared to 66% nationally
- 97% achieved the expected standard in SPaG compared to 72% nationally
- 89% achieved the expected standard in writing compared to 74% nationally
- 93% achieved the expected standard in maths compared to 77% nationally

Pupil premium pupils did better than all pupils nationally in all areas of learning

Attendance – overall this was up to 96%. The employment of a member of staff to take responsibility for this has ensured that absence is followed up quickly and attendance is improving.

High staffing costs are in line with good and better results across the school and enable targeted interventions to support all groups of learners. High staffing costs also minimise the reliance on agency staff to cover absences.

Focused use of Pupil premium funding has supported this group of learners in accessing opportunities and achieving well.

The wide range of activities during lunchtimes and playtimes has ensured that pupils are always active and behaving well. Incidents of inappropriate behaviour have reduced at lunchtimes as a result.

The school has seen a considerable amount of building work with the extension of the dining room as well as the building of ten learning spaces and a car park extension. This has been managed successfully.

Additional staff and a high number of trainees have been supported by the school thus ensuring the school has a good selection of candidates to fill any vacancies that may arise as a consequence of the school expansion.

Key performance indicators

- Direct costs as a percentage of total costs were 64.1% (2015 – 69.4%)
- Support costs as a percentage of total costs were 35.9% (2015 – 30.6%)
- Total payroll costs as a percentage of recurring income were 72.3% (2015 – 73.6%)

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Financial review.

The financial results of Greenholm Primary School are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Academies Financial Handbook published by the EFA.

The principal funding source is grant income from the EFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the year ended 31st August 2016 total incoming resources including capital grants were £3M and the surplus of income over expenditure was £394,345.

At 31st August the net book value of fixed assets was £4.26M. The assets were used exclusively for providing the education and the associated support services to the pupils of Greenholm Primary School. This is net of accumulated depreciation of £463,000. The total funds at the Balance Sheet date were £4.1M.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Reserves Policy

The Trustees continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the Governing Body's general policy to continue to build reserves which can be used for future educational purposes and to be, whenever possible, at least the equivalent of one month's full salary cost. This ensures appropriate contingency for any potential long term sickness for the school.

The deficit on the restricted pension fund of £1.1M arises from a calculation for accounts purposes on the local Government pension fund the school is paying off the actuarial deficit over a 25 year period at £25,000 per annum.

Investment Policy

Any surplus funds are invested with the Lloyds Bank and Nationwide Building Society, in fixed term deposit bonds. These investments are carried out in accordance with the powers vested in the Governing Body.

Principal risks and uncertainties.

The Trustees have considered the major risks and uncertainties facing the Charitable Company which include changes in legislation and regulations and cash flow management, and have put in place procedures to deal with these matters.

Plans for future periods

To continue to ensure that all pupils reach their end of year targets and are making good and better progress so that the school continues to be good or better.

To ensure that all provision is very closely matched to pupils needs.

To ensure that the provision on site enables pupils to be physically active and to reduce the numbers of pupils who are overweight.

To replace the old heating system in the main part of the school so that it is more energy efficient

To develop a new playground for the pupils in Reception, year 1 and year 2.

To develop plans for the back field which is 5 acres for when ownership is transferred to the school

Auditor

Insofar as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's auditor is unaware ; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware if that information.

The Trustees report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on **24 NOVEMBER 2016** and signed on behalf of the board's behalf by:


.....
S Shorrocks
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Greenholm 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 board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Greenholm Primary School 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 responsibility. The Board of Trustees have met formally 6 times during the year. Attendance during the year at meetings of the board of Trustees as follows:

Main Board	Meetings attended	Out of a possible
Mark Biggs	6	6
Bob Bissell	6	6
Linda Brandon	6	6
Jonathon Cale (resigned Feb 2016)	2	2
Fay Glendenning	3	6
Karen Trench	1	6
Humara Haq	2	6
Keely Evans	6	6
Mandy Myers	2	6
Jo Osborne	3	6
Carol Philips	2	6
Julie Price	3	6
Shehnaaz Rafiq	4	6
Steve Shorrocks (Chair)	6	6
Sara Hervey	5	6
Mandip Singh-Khatkar	1	6
Gill Turner (Headteacher)	6	6
Nahid Younis	1	1
Finance Committee		
Mark Biggs	3	6
Linda Brandon	5	6
Jonathon Cale (resigned Feb 2016)	2	2
Keely Evans	3	6
Shehnaaz Rafiq	3	6
Mandip Singh-Khatkar	2	6
Gill Turner	6	6

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GOVERNANCE STATEMENT (continued)

Governance Review

The Governance Review is concluded on an annual basis. The trust completes the Financial Management and Governance self-assessment, which is reviewed and challenged by the Finance and General Purposes committee before the agreed self-assessment is submitted online. The Charities Commission Fraud self-assessment is also completed annually.

The Finance Committee

The Finance and General Purpose committee is a sub-committee of the main board of trustees. Its purpose is to set and approve the annual budget plan, linked to the school improvement plan priorities and to monitor spending throughout the year to ensure compliance and best value principals are adhered to. On an annual basis the terms of reference are reviewed to ensure the smooth running of the school and the accountability of spending of the Head Teacher.

Review of Value for money

As Accounting Officer, the Principal has responsibility for ensuring that the academy 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 academy'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 appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

All expenditure incurred is monitored against outcomes and standards achieved by pupils, in order to determine that value for money has been achieved. This is done through regular monitoring for impact of resources and interventions within school and by Governors. Comparing results and monies spend enables the school to benchmark its activities against similar schools.

Staffing levels are reviewed on an annual basis to ensure the needs of the school are met. The Governors request that teaching staff levels are high to ensure consistency and continuity for pupils and this in turn leads to minimal supply staff being needed to cover sickness absence and helps the school maintain the high standards it is aiming for.

Staffing levels, and all other expenditure, are linked to the School Improvement Plan which is reviewed regularly to ensure that the expenditure is impacting positively and appropriately.

Year 6 results for the Summer term 2016 were well above the national average. 75% of pupils achieved the expected standard in Reading, Writing and Mathematics compared to 52% nationally.

Pupil Premium is used well to reduce the free school meal gap. In 2016, the Year 6 pupils who were entitled to pupil premium funding did as well as their peers in school and did better than non-pupil premium pupils nationally.

In year 2 the school achieved results which were above the national average for pupils working at the expected standard in Reading, Writing and Maths.

In year 1, 92% of pupils passed the phonics test compared to 81% nationally.

In Reception, 80% of children achieved a Good level of development, compared to 69% nationally, indicating good progress from their attainment on entry to school.

The Governing Body – including all sub committees – meet on a half termly basis to review all aspects of school life and ensure value for money and standards.

As the school grows to three forms of entry, the leadership team of the school has expanded to support the

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GOVERNANCE STATEMENT (continued)

growing numbers of staff and to ensure robust professional development that directly impacts teaching and learning for all pupils.

The school ensures that any surplus balance is invested in short term, low risk accounts to maximise the amount of interest received.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Greenholm Primary School for the year 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed DRB Management, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The RO provides a full report, covering strengths and recommendations, which are responded to and acted upon.

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GOVERNANCE STATEMENT (continued)

Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 24-11-16 and signed on their behalf, by:


.....
S Shorrocks
Chair of Trustees


.....
G Turner
Accounting Officer

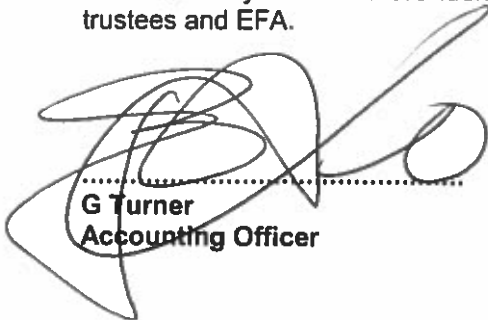
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust 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.



.....
G Turner
Accounting Officer

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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Greenholm Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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 of 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 with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 24-11-16 and signed on its behalf by:



.....
S Shorrock
Chair of Trustees

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GREENHOLM PRIMARY SCHOOL**

We have audited the financial statements of Greenholm Primary School for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, 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 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 Auditors' 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 opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements 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 financial statements

In our opinion the financial statements:

- 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; 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.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
GREENHOLM PRIMARY SCHOOL**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report, incorporating 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.

Smith Cooper Limited

Adrian Jones (Senior statutory auditor)

for and on behalf of

Smith Cooper Limited

Chartered Accountants
Statutory Auditors

158 Edmund Street
Birmingham

B3 2HB

Date: *13 December 2016*

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO GREENHOLM
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 Greenholm Primary School during the year 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 Greenholm Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Greenholm Primary School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Greenholm Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Greenholm Primary School's accounting officer and the reporting auditors

The accounting officer is responsible, under the requirements of Greenholm Primary School's funding agreement with the Secretary of State for Education dated 1 September 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 year 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 the 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's income and expenditure.

The work undertaken to draw our conclusion includes:

- consideration on a sample basis of whether all activities of the Academy are in keeping with the Academy's framework and charitable objectives;
- confirmation on a sample basis, that expenditure does not contravene the funding agreement;
- understanding the internal control framework and testing on a sample basis the regularity and propriety of purchases;
- a review of minutes of applicable committee meetings;

GREENHOLM PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO GREENHOLM
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

- a review of RO reports;
- reviewing records for indications of transactions with related parties and consideration as to whether any such transactions are in accordance with the Academies Financial Handbook
- enquiries of the trustees and testing where appropriate, as to the existence of any borrowing agreements, leases or land and building transactions to ensure that they were in line with the funding agreement and Academies Financial Handbook;

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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Smith Cooper limited

Smith Cooper Limited

Chartered Accountants

158 Edmund Street
Birmingham
B3 2HB

Date: *13 December 2016*

GREENHOLM PRIMARY SCHOOL
(A company limited by guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:						
Donations and capital grants	2	-	-	471,509	471,509	328,152
Charitable activities	3	233,746	2,310,529	9,153	2,553,428	2,284,431
Short term interest		1,669	-	-	1,669	1,329
Total income		235,415	2,310,529	480,662	3,026,606	2,613,912
Expenditure on:						
Charitable activities		174,656	2,324,411	133,194	2,632,261	2,214,349
Total expenditure	6	174,656	2,324,411	133,194	2,632,261	2,214,349
Net income / (expenditure) before other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	21	60,759	(13,882)	347,468	394,345	399,563
		-	(428,000)	-	(428,000)	(54,000)
Net movement in funds		60,759	(441,882)	347,468	(33,655)	345,563
Reconciliation of funds:						
Total funds brought forward		242,899	(417,136)	4,336,223	4,161,986	3,816,423
Total funds carried forward		303,658	(859,018)	4,683,691	4,128,331	4,161,986

GREENHOLM PRIMARY SCHOOL
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REGISTERED NUMBER: 08146396

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	13		4,256,925		3,964,066
Current assets					
Debtors	14	311,534		82,838	
Cash at bank and in hand		895,151		917,244	
		<u>1,206,685</u>		<u>1,000,082</u>	
Creditors: amounts falling due within one year	15	(205,279)		(142,162)	
Net current assets			1,001,406		857,920
Total assets less current liabilities			5,258,331		4,821,986
Defined benefit pension scheme liability	21	(1,130,000)		(660,000)	
Net assets including pension scheme liabilities			4,128,331		4,161,986
Funds of the academy					
Restricted income funds:					
Restricted income funds	16	270,982		242,864	
Restricted fixed asset funds	16	4,683,691		4,336,223	
Restricted income funds excluding pension liability		<u>4,954,673</u>		<u>4,579,087</u>	
Pension reserve		<u>(1,130,000)</u>		<u>(660,000)</u>	
Total restricted income funds			3,824,673		3,919,087
Unrestricted income funds	16		303,658		242,899
Total funds			4,128,331		4,161,986

The financial statements were approved by the Trustees, and authorised for issue, on 24 NOVEMBER 2016 and are signed on their behalf, by:

.....
G Turner
Accounting Officer

The notes on pages 21 to 40 form part of these financial statements.

GREENHOLM PRIMARY SCHOOL
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	<u>(78,371)</u>	<u>195,384</u>
Cash flows from investing activities:			
Interest received		1,669	1,329
Purchase of tangible fixed assets		(426,053)	(114,734)
Capital grants from DfE/EFA		480,662	430,560
Net cash provided by investing activities		<u>56,278</u>	<u>317,155</u>
Change in cash and cash equivalents in the year		(22,093)	512,539
Cash and cash equivalents brought forward		<u>917,244</u>	<u>404,705</u>
Cash and cash equivalents carried forward	19	<u><u>895,151</u></u>	<u><u>917,244</u></u>

GREENHOLM PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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 (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.

Greenholm Primary School constitutes a public benefit entity as defined by FRS 102.

Details of the registered office are provided in the Reference and Administrative Details.

First time adoption of FRS 102

These financial statements are the first financial statements of Greenholm Primary School 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 Greenholm Primary School 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 25.

1.2 Fund accounting

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

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

GREENHOLM PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting policies (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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 are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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 allocated on the portion of the asset's use.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

GREENHOLM PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting policies (continued)

1.5 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 academy 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.

1.6 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised.

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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 incorporating income and expenditure account.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	straight line over 50 years
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

GREENHOLM PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. Accounting policies (continued)

1.8 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

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 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 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.

1.12 Taxation

The academy 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 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.

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

1. Accounting policies (continued)

1.13 Pensions

Retirement benefits to employees of the academy 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.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions 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 incorporating income and expenditure account 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

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

1. Accounting policies (continued)

1.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The tangible fixed assets note describes the basis of valuation for assets at the date of conversion. In July 2013 a desktop valuation of the land and buildings commissioned by the EFA gave a much lower value for land. The trustees at that time decided to use the full valuation as the basis for the carrying value as in their judgement it was more likely to be a reasonable estimate. The Trustees have elected to use this valuation as the deemed cost under FRS102.

These accounting policies describe the basis of calculating depreciation, the trustees consider that they have exercised due judgement in setting the rates of depreciation.

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

2. Income from donations and capital grants

	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Capital Grants	<u>471,509</u>	<u>471,509</u>	<u>328,152</u>

3. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	1,966,200	1,966,200	1,712,256
Other EFA Grants	-	208,150	208,150	173,778
Capital Grants	-	9,153	9,153	102,407
	<u>-</u>	<u>2,183,503</u>	<u>2,183,503</u>	<u>1,988,441</u>
Other government grants				
Local authority grants	-	136,179	136,179	143,368
	<u>-</u>	<u>136,179</u>	<u>136,179</u>	<u>143,368</u>
Other funding				
Extended school	86,522	-	86,522	71,563
Music Tuition	9,742	-	9,742	6,292
Educational Visits	24,152	-	24,152	15,928
Catering	32,632	-	32,632	23,105
Miscellaneous	80,698	-	80,698	35,733
	<u>233,746</u>	<u>-</u>	<u>233,746</u>	<u>152,621</u>
	<u>233,746</u>	<u>2,319,682</u>	<u>2,553,428</u>	<u>2,284,430</u>

In 2015, of the total income from charitable activities, £152,621 was to unrestricted funds and £2,459,962 was to restricted funds.

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

4. Direct costs

	<i>Total 2016 £</i>	<i>Total 2015 £</i>
FRS102 Pension Cost	25,000	10,000
Educational Supplies	77,508	75,004
Educational Consultancy	47,344	34,096
Technology Costs	15,505	18,384
Staff Development	14,768	18,430
Other Direct Costs	40,991	16,740
Teaching Salary	1,152,231	1,155,567
Teaching NI	98,879	48,094
Teaching Pension Costs	171,251	81,137
Depreciation	58,967	79,965
	<u>1,702,444</u>	<u>1,537,417</u>

5. Support costs

	<i>Total 2016 £</i>	<i>Total 2015 £</i>
FRS102 Pension Cost	-	13,000
Maintenance Costs	149,512	64,580
Security and Transport	14,042	10,562
Cleaning	3,174	4,092
Rates	10,778	12,295
Energy Costs	21,216	22,247
Insurance	17,871	18,711
Catering	76,453	53,150
Technology Costs	13,261	8,821
Other Support Costs	114,119	102,416
Audit Remuneration	6,577	6,020
Support Supply	4,706	2,580
Support Staff Salary	330,289	274,315
Support Staff NI	17,391	6,994
Support Staff Pension	76,201	39,518
Depreciation	74,227	37,631
	<u>929,817</u>	<u>676,932</u>

During the year ended 31 August 2016, the academy incurred the following Governance costs:

£5,950 (2015 - £8,032) included within the table above in respect of Audit Remuneration and Support Staff.

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

6. Expenditure

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Activities:					
Direct costs	1,422,361	58,967	221,116	1,702,444	1,537,417
Support costs	428,587	266,543	234,687	929,817	676,932
	<u>1,850,948</u>	<u>325,510</u>	<u>455,803</u>	<u>2,632,261</u>	<u>2,214,349</u>

In 2016, of the total expenditure, £174,656 (2015 - £189,457) was to unrestricted funds and £2,457,605 (2015 - £2,024,892) was to restricted funds.

7. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	133,194	117,596
Operating lease rentals	1,111	522
	<u>134,305</u>	<u>118,118</u>

8. Auditors' remuneration

	2016 £	2015 £
Fees payable to the academy's auditor for the audit of the academy's annual accounts	5,000	6,020
Fees payable to the academy's auditor in respect of: All other non-audit services not included above	1,475	-
	<u>6,475</u>	<u>6,020</u>
	2016 £	2015 £
Fees payable to the academy's auditor in connection with the academy's pension scheme in respect of: Certificate to Teachers Pensions	100	-
	<u>100</u>	<u>-</u>

GREENHOLM PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,482,520	1,429,883
Social security costs	116,270	55,088
Operating costs of defined benefit pension schemes	247,452	120,655
	<u>1,846,242</u>	<u>1,605,626</u>
Supply teacher costs	4,706	2,580
	<u>1,850,948</u>	<u>1,608,206</u>

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

	2016 No.	2015 No.
Average Number of Employees	94	92

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	25	22
Administration and support	32	26
Management	2	2
	<u>59</u>	<u>50</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	1	1

Two (2015: One) employees participated in the Teachers' Pension Scheme.

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 £341,379 (2015: £260,244).

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

10. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2016	2015
		£	£
G Turner, Principal and Accounting Officer	Remuneration	75,000-80,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
H Haq, Staff Trustee	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
L Brandon, Staff Trustee	Remuneration	30,000-35,000	25,000-30,000
	Pension contributions paid	0-5,000	0-5,000
G Byrne, Staff Trustee	Remuneration	-	35,000-40,000
	Pension contributions paid	-	0-5,000
S Hervey, Staff Trustee	Remuneration	25,000-30,000	-
	Pension contributions paid	5,000-10,000	-

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

11. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,645 (2015 - £1,645).

12. Other finance income

	2016	2015
	£	£
Interest income on pension scheme assets	33,000	28,000
Interest on pension scheme liabilities	(58,000)	(51,000)
	<u>(25,000)</u>	<u>(23,000)</u>

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

13. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Asset Under Construction £	Total £
Cost or valuation					
At 1 September 2015	4,085,660	95,466	73,060	39,810	4,293,996
Additions	247,882	95,882	53,727	28,562	426,053
Transfer between classes	39,810	-	-	(39,810)	-
At 31 August 2016	4,373,352	191,348	126,787	28,562	4,720,049
Depreciation					
At 1 September 2015	245,139	45,620	39,171	-	329,930
Charge for the year	58,967	41,501	32,726	-	133,194
At 31 August 2016	304,106	87,121	71,897	-	463,124
Net book value					
At 31 August 2016	4,069,246	104,227	54,890	28,562	4,256,925
<i>At 31 August 2015</i>	<i>3,840,521</i>	<i>49,846</i>	<i>33,889</i>	<i>39,810</i>	<i>3,964,066</i>

Leasehold property was valued at 1 September 2012 by The Valuation Office Agency - DVS and the fittings and equipment and computer equipment were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

14. Debtors

	2016 £	2015 £
Other debtors	13,492	11,945
Prepayments and accrued income	46,713	54,485
Grants receivable	251,329	16,408
	311,534	82,838

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15. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Other creditors	48,248	7,032
Accruals and deferred income	157,031	135,130
	205,279	142,162
	2016	2015
	£	£
Deferred income		
Deferred income at 1 September 2015	58,696	32,823
Resources deferred during the year	53,788	58,696
Amounts released from previous years	(58,696)	(32,823)
Deferred income at 31 August 2016	53,788	58,696

At 31 August 2016 the academy trust was holding funds received in advance for 2016/17 free school meals.

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16. Statement of funds

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds					
Assets transferred on conversion	241,005	-	-	-	241,005
Other Income	1,894	178,510	(178,509)	-	1,895
Other General funds	-	56,905	3,853	-	60,758
	<u>242,899</u>	<u>235,415</u>	<u>(174,656)</u>	<u>-</u>	<u>303,658</u>
Restricted funds					
General Annual Grant (GAG)	242,864	1,966,200	(1,938,082)	-	270,982
Other EFA Grants	-	208,150	(208,150)	-	-
Other Government Grants	-	136,179	(136,179)	-	-
Pension reserve	(660,000)	-	(42,000)	(428,000)	(1,130,000)
	<u>(417,136)</u>	<u>2,310,529</u>	<u>(2,324,411)</u>	<u>(428,000)</u>	<u>(859,018)</u>
Restricted fixed asset funds					
Assets transferred on conversion	3,836,543	-	(133,194)	-	3,703,349
EFA capital grants	421,368	471,509	-	-	892,877
Capital expenditure from GAG	67,945	9,153	-	-	77,098
Big Lottery Fund	10,367	-	-	-	10,367
	<u>4,336,223</u>	<u>480,662</u>	<u>(133,194)</u>	<u>-</u>	<u>4,683,691</u>
Total restricted funds	<u>3,919,087</u>	<u>2,791,191</u>	<u>(2,457,605)</u>	<u>(428,000)</u>	<u>3,824,673</u>
Total of funds	<u>4,161,986</u>	<u>3,026,606</u>	<u>(2,632,261)</u>	<u>(428,000)</u>	<u>4,128,331</u>

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

Restricted fixed asset funds comprise resources which are to be applied to specific purposes imposed by the EFA and Birmingham City Council in respect of fixed assets held by the school. Funds carried forward include approximately £450,000 to be spent in 2016/17.

Other restricted funds include:

- A reserve to match the pension liability, this is a deficit – see note 22
- Funds mostly from the EFA but also from Birmingham City Council and other organisations where the funds must be used for specific purposes imposed by the donor.

Unrestricted funds comprise resources that may be used for any of the charitable objectives of the academy trust.

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

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17. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	4,256,925	4,256,925	3,964,066
Current assets	303,658	476,261	426,766	1,206,685	1,000,082
Creditors due within one year	-	(205,279)	-	(205,279)	(142,162)
Provisions for liabilities and charges	-	(1,130,000)	-	(1,130,000)	(660,000)
	<u>303,658</u>	<u>(859,018)</u>	<u>4,683,691</u>	<u>4,128,331</u>	<u>4,161,986</u>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	394,345	399,563
Adjustment for:		
Depreciation charges	133,194	117,596
Interest	(1,669)	(1,329)
Increase in debtors	(228,696)	(4,792)
Increase in creditors	63,117	88,905
Capital grants from DfE and other capital income	(480,662)	(430,559)
Defined benefit pension scheme cost less contributions payable	17,000	3,000
Defined benefit pension scheme finance cost	25,000	23,000
Net cash (used in)/provided by operating activities	<u>(78,371)</u>	<u>195,384</u>

19. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	895,151	917,244
Total	<u>895,151</u>	<u>917,244</u>

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20. Capital commitments

At 31 August 2016 the academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	<u>455,461</u>	<u>374,563</u>

The commitments have been funded by grants receivable

21. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. 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%)

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21. Pension commitments (continued)

- 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 employer's pension costs paid to TPS in the period amounted to £208,967 (2015 - £185,300).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £114,000 (2015 - £91,000), of which employer's contributions totalled £88,000 (2015 - £71,000) and employees' contributions totalled £26,000 (2015 - £20,000). The agreed contribution rates for future years are 14.1% for employers and 5% to 7% 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 agreed to pay an additional £25,000 for deficit funding for the period beginning 1 April 2016 deficit funding

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	3.75 %	4.15 %
Rate of increase for pensions in payment / inflation	2.00 %	2.40 %
Inflation assumption (CPI)	2.00 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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21. Pension commitments (continued)

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

	2016	2015
Retiring today		
Males	23.1	23.0
Females	25.8	25.6
Retiring in 20 years		
Males	25.3	25.2
Females	28.1	28.0

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	614,000	466,000
Government Bonds	72,000	57,000
Other Bonds	89,000	78,000
Property	825,000	66,000
Cash	66,000	39,000
Other	112,000	71,000
Total market value of assets	1,778,000	777,000

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(105,000)	(74,000)
Net interest cost	(25,000)	(23,000)
Total	(130,000)	(97,000)
Actual return on scheme assets	159,000	32,000

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21. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2016 £	2015 £
Opening defined benefit obligation	1,437,000	1,254,000
Current service cost	105,000	74,000
Interest cost	58,000	51,000
Contributions by employees	26,000	20,000
Actuarial losses	554,000	58,000
Benefits paid	(15,000)	(20,000)
	<u>2,165,000</u>	<u>1,437,000</u>
Closing defined benefit obligation	<u>2,165,000</u>	<u>1,437,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	777,000	674,000
Return on plan assets (excluding net interest on the net defined pension liability)	33,000	28,000
Actuarial gains and (losses)	126,000	4,000
Contributions by employer	88,000	71,000
Contributions by employees	26,000	20,000
Benefits paid	(15,000)	(20,000)
	<u>1,035,000</u>	<u>777,000</u>
Closing fair value of scheme assets	<u>1,035,000</u>	<u>777,000</u>

22. Financial commitments

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	5,526	1,334
Between 1 and 5 years	6,712	2,667
After more than 5 years	4,706	-
	<u>16,944</u>	<u>4,001</u>
Total	<u>16,944</u>	<u>4,001</u>

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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/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.

24. Related party transactions

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

During the period Mr S Shorrocks, (director) provided services to the academy totalling £Nil (2015: £443).

25. First time adoption of FRS 102

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

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure. The only adjustment arising from the adoption of FRS102 has been in the 2015 statement of financial activities in respect of the defined pension scheme. Expenditure is £14,000 higher than previously stated and the actuarial losses are £14,000 lower. There was no difference to total funds.