

**NUNTHORPE ACADEMY LIMITED**

(a company limited by guarantee)

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED TO 31 AUGUST 2015**

**Company Registration No: 08188507**

## NUNTHORPE ACADEMY LIMITED

### COMPANY INFORMATION

Year ended 31 August 2015

Directors	B H Whitfield (Chairman) *
* Members of Resources Committee	T Wheatley (Vice Chair) *
	M Robinson *
	M Demoily *
	J Sutherland
	S Jones *
	K Ruddy
	J Hutchinson
	S Wheatley
	A Blacklock
	L McMann (appointed 22 Dec 2014)
	E Sadler (appointed 13 Nov 2014)
	C Welford (appointed 01 Dec 2014)
	C Beadle (appointed 17 Nov 2014)
Company Secretary	Watson Burton LLP
Senior Management Team:	
Principal and Accounting Officer	L Brown
Vice Principal	K Kell
Vice Principal	D Yates
Director of Business and Finance	N Goodall
Principal and Registered Office	Nunthorpe Academy Limited Guisborough Road Nunthorpe TS7 0LA
Company Registration Number	08188507(England and Wales)
Solicitors	Watson Burton LLP 1 St James' Gate Newcastle Upon Tyne NE99 1YQ
Independent Auditor	RSM UK Audit LLP (formerly Baker Tilly Audit UK LLP) 1 St James' Gate Newcastle upon Tyne NE1 4AD
Bankers	HSBC 60 Albert Road Middlesbrough TS1 1RS

## **NUNTHORPE ACADEMY LIMITED**

### **COMPANY INFORMATION**

**Year ended 31 August 2015**

The directors present their report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both a directors' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 19 serving an area around Nunthorpe, Middlesbrough. It has a capacity of 1,655 and had a roll of 1,581 in the school census in July 2015.

The financial statements have been prepared in accordance with the accounting policies of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities", the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### Constitution

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary documents of the Academy. The company was incorporated on 22 August 2012 and converted to Academy status on 1 October 2012. The Directors act as trustees for charitable activities of Nunthorpe Academy Limited and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Nunthorpe Academy Limited.

Details of the Directors who served throughout the period except as noted are included in the Reference and Administrative Details on page 2.

The Academy set up a trading subsidiary company, Nunthorpe Learning and Leisure Limited, on 27 September 2012 which commenced trading on 1 October 2012. The results of the subsidiary company are consolidated into the group accounts. This company ceased to trade on 31 August 2015, and was replaced by a newly formed company, Nunthorpe Learning and Leisure 2015 Ltd, (Company Number: 9677132) which commenced trading on 1 September 2015.

#### 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.

#### Director' indemnities

Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. As required in the Academy's Articles of Association indemnity insurance with Zurich Insurance PLC has been taken out to cover the liabilities of the Directors which by virtue of any rule of law would otherwise attach to them in respect of negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy. Provided that any such insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of trust or breach of duty or which was committed by the Directors in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Directors in their capacity of Directors.

**NUNTHORPE ACADEMY LIMITED**  
**DIRECTORS' REPORT (continued)**  
**Year ended 31 August 2015**

**Method of recruitment and appointment or election of Directors**

As set out in the articles and funding agreement:-  
The Academy has the following Directors:

The Members of the Academy are:-

M H Robinson  
T Wheatley  
B H Whitfield  
M Demoily

Parent Directors:  
S Jones

Staff Directors:

A Blacklock

L Brown

L McMann

Principal

(appointed 22 December 2014)

Community Directors:

C Beadle

(appointed 17 November 2014)

M H Robinson

K Ruddy

E Sadler

(appointed 13 November 2014)

J Sutherland

C Welford

(appointed 1 December 2014)

S Wheatley

T Wheatley

B H Whitfield

The following people served as Directors for part of the year but were not Directors at the year end:

Jayne Hutchinson

(resigned 11 August 2015)

Gary Smith

(resigned 31 December 2014)

The Academy Trust will comprise of a maximum of five members and not less than three and these members may appoint up to 10 Directors.

Including the Trust Members, who may also act as Directors of the Charitable Company, the total number of Directors shall be not less than three and (unless otherwise determined by ordinary resolution) shall be subject to a maximum of fifteen. The Principal shall be treated for all purposes as being an ex officio Director.

Staff Directors are nominated and elected by staff (both teaching and support), provided that the total number of Directors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Directors.

Parent Directors shall be elected by parents of registered pupils at the Academy. A Parent Director must be a parent of a pupil at the Academy at the time when he is elected. Where there is a vacancy, a letter is sent out to parents asking for nominations. Any election of Parent Directors which is contested shall be held by secret ballot.

**NUNTHORPE ACADEMY LIMITED**  
**DIRECTORS' REPORT (continued)**  
**Year ended 31 August 2015**

The Directors may appoint up to 3 Co-opted Directors. Co-opted Directors are sought and approached following consultation between the Principal and Chair of Directors. A 'Co-opted Director' means a person who is appointed to be a Director by being Co-opted by Directors who have not themselves been so appointed. The Directors may not co-opt an employee of the Academy Trust as a Co-opted Director if thereby the number of Directors who are employees of the Academy Trust would exceed one third of the total number of Directors (including the Principal).

The term of office for any Director shall be 4 years, save that this time limit shall not apply to the Principal. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected.

**APPOINTMENT OF ADDITIONAL DIRECTORS**

The Secretary of State may give a warning notice to the Directors where he is satisfied:-

- i) that the standards of performance of pupils at the Academy are unacceptably low, or
- ii) that there has been a serious breakdown in the way the Academy is managed or governed, or
- iii) that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).

For the purposes of Article 60 a 'warning notice' is a notice in writing by the Secretary of State to the Academy delivered to the Office setting out:-

- a) the matters referred to in Article 60;
- b) the action which he requires the Directors to take in order to remedy those matters; and
- c) the period within which that action is to be taken by the Directors ('the compliance period').

The Secretary of State may appoint such additional Directors as he thinks fit if the Secretary of State has:

- a) given the Directors a warning notice in accordance with Article 60; and
- b) the Directors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period.

The Secretary of State may also appoint such additional Directors where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 Period, of two Ofsted grades. For the purposes of the foregoing the grade received by Nunthorpe Academy shall be regarded as the grade received by the Academy.

The Secretary of State may also appoint such further Directors as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

Within 5 days of the Secretary of State appointing any additional or further Directors in accordance with Articles 62, 62A or 63, any Directors appointed under Article 50 and holding office immediately preceding the appointment of such Directors, shall resign immediately and the Members' power to appoint Directors under Article 50 shall remain suspended until the Secretary of State removes one or more of the additional or further Directors.

**TERM OF OFFICE**

All Directors have a four year term of office from the date they were appointed.

**Policies and procedures adopted for the induction and training of Directors**

The Academy takes its responsibility to train new Directors very seriously and therefore have developed a procedure to follow.

**NUNTHORPE ACADEMY LIMITED**  
**DIRECTORS' REPORT (continued)**  
**Year ended 31 August 2015**

The induction includes:

- A tour of the school by a member of the senior team to include a briefing on our core purpose and values. Meet staff and students on the tour.
- Allocation of a Director 'buddy' so that all questions can be answered before a Director meeting via a telephone call or after by checking if any questions remain unanswered
- Induction training programme delivered via the Clerk to the Board of Directors
- Meet with the Principal and Chair of Directors

Documentation supplied will include the Nunthorpe Academy SEF and Development Plan, the last Ofsted Report, previous minutes of the full Governing Body, list of Directors, list of sub committees (and terms of reference/membership), calendar of Director meetings.

Organisational structure

The Academy's Principal is the Accounting Officer. Their main task is to execute the policies agreed by the Academy in relation to its education functions and to bring forward for approval, proposals for further improving the quality of educational experience of the Academy's students. The Academy Board of Directors has delegated the Principal extensive powers to make decisions quickly and efficiently in respect of the Principal's responsibilities. The Academy Leadership Team consists of:

- One Principal
- Two Vice Principals
- One Director of Business & Finance
- Five Assistant Vice Principals

The Board of Directors ensure good governance of the Academy and set policy. It can also question implementation of policy where relevant. The Board of Directors has a Resources Development Committee and a Student Achievement Committee with specific duties relating to their function. The Committee's have delegated powers so that action can be taken quickly whenever necessary. Further committees are established to advise the Board of Directors on very specific matters (Health & Safety; Student Well Being).

Risk management

A review identifying the major risks to which the Academy is exposed, as identified by the Directors, is undertaken annually, and systems or procedures established to manage those risks.

Nunthorpe Academy's policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure they are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated. The specific procedures for the implementation of this policy and the personnel responsible are detailed below.

The Board of Directors is responsible for making a statement on risk management in the annual accounts of the Academy Trust. In order to be able to make the required statement with reasonable confidence, the Directors ensure that:

- the identification, assessment and mitigation of risk is linked to the achievement of the Academy Trust's vision and strategic goals as set out in the Academy's Development Plan
- the process covers all areas of risk e.g. governance and management, operational, financial, reputational and external factors and is focused primarily on major risks
- the process produces a risk exposure profile that reflects the Directors views as to levels of acceptable risk
- the principle results of risk identification are reviewed, evaluated and managed; and ensure that the risk management is on-going and embedded in management and operational procedure.

**NUNTHORPE ACADEMY LIMITED**  
**DIRECTORS' REPORT (continued)**  
**Year ended 31 August 2015**

Connected organisations, including related party relationships

The Academy set up a subsidiary company, incorporated on 27 September 2012, to trade in adult learning. All profits from the subsidiary company are donated to the Academy. The Academy's Principal manages the subsidiary company. The subsidiary company's Board of Directors (all of whom are Academy Directors with the exception of Ian Click, who is a Director of the subsidiary company only) are responsible for the company including its viability and for ensuring its functions do not impact on the Academy's core business of providing the best possible education for its students. Details of the subsidiary company, including its results for the year are included in Note 28.

Following advice from the Academy's accountants and solicitors, this subsidiary company ceased trading on 31 August 2015. The business activities of this subsidiary, from 1 September 2015, have been undertaken by a newly formed company, Nunthorpe Learning and Leisure 2015 Ltd, that will be limited by guarantee.

The Academy was also party to a memorandum of understanding with Hillsview Academy to work together to provide a 'joint' sixth form provision. Details of this arrangement are included in Note 24 of the accounts.

The Academy gained Teaching School status in 2014, and working collaboratively with five local primary schools and one secondary school partner, aimed to start training the next generation of teachers from September 2015. During the period, a strong relationship with Northumbria University has been developed, and seven trainee teachers are in place to start their training towards Qualified Teacher Status (QTS). 7 staff members from within the NESTA collaboration have already gained Specialist Leader of Education status, with a further 5 colleagues hoping to apply in 2015-16.

Objectives and Activities

The Academy exists to ensure that standards of education provision at the Academy are high and that the leadership and management of the Academy develop them still further. There is an obligation on the Academy to support school improvement elsewhere across the county providing there is no detrimental effect on the quality of education provision in the Academy.

The full Governing Body meets half termly and has committees supporting the detail of its work.

Objects and aims

The Academy Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing an academy offering a broad and balanced curriculum.

Objectives, Strategies and Activities

Our Objectives

The Academy's objectives are detailed in its Academy Development Plan. During 2014-2015, the four main objectives were:

- To ensure that VA at KS5 continues to be above 0
- For all departments to achieve levels of progress (both 3LP and 3+LP) that are a minimum of 10% above national at KS4
- Ensure that the achievement gap of vulnerable students versus all students significantly narrows
- Use NESTA to train ITT students to respond to national shortage of teachers of core subjects to enable us to appoint high quality, newly qualified teachers

**NUNTHORPE ACADEMY LIMITED**  
**DIRECTORS' REPORT (continued)**  
**Year ended 31 August 2015**

Our Strategies

Our strategies for delivering on our strategic objectives are many and varied. These are detailed in our Academy Development Plan.

Our Activities

Our activities in delivering on our strategic objectives are also many and varied. These are also detailed in our Academy Development Plan.

Plans for Future Periods

To investigate the opportunities offered to become a Multi Academy Trust (MAT)

To work increasingly closer with other Redcar and Cleveland schools and academies to raise standards for young people across the borough.

Maintain our current OFSTED Outstanding grade.

Public benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our Aims and Objectives and in planning our future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

**Strategic Report**

**Achievements and Performance**

Our core value is that all students have an entitlement to be provided with opportunities that allow them to achieve their potential. To ensure that they make a valuable contribution of their community. Nunthorpe Academy had a total student population of 1581 at the school census, July 2015.

The Academy's 5+ A\*-C figure is currently 65% against a national figure (NB: all national figures are 2014 data) of 55%. In English, 63% of students made at least expected progress against a national figure of 70%. In Maths, 78% of students made at least expected progress against a national figure of 65%. The students making 3 levels of progress, or more than 3 levels of progress, exceeded national averages +10% in twenty one of the 29 subjects studied.

Ofsted Outstanding in all areas.

**Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy 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 its financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**NUNTHORPE ACADEMY LIMITED**  
**DIRECTORS' REPORT (continued)**  
**Year ended 31 August 2015**

**Key financial performance indicators**

- The average number of persons (including the senior management team) employed by the Academy during the year ended 31 August 2015 was as follows:
  - 104 Teachers
  - 87 Administration and support
  - 4 Senior Management
- The restricted GAG income received in the year ending 31 August 2015 was £7,139,670.
- The liquid resources are £788,715 at 31 August 2015.
- The ratio of current assets to current liabilities at 31 August 2015 is 1.79.

**Financial Review**

Most of the Academy's income is obtained from DfE/EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2015, total expenditure of £9,147,340 exceeded grant funding received from the DfE/EFA together with other incoming resources. The excess of total expenditure over total income for the year (prior to other gains/losses) was £369,841.

Excluding the restricted fixed asset funds there is a total carried forward deficit of £370,449 of which £730,000 relates to the pension deficit. The closing funds excluding the restricted fixed asset fund and the pension deficit are therefore £359,551.

At 31 August 2015 the net book value of fixed assets was £9,599,001 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of Nunthorpe Academy.

**Financial and risk management objectives and policies**

Nunthorpe Academy's policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure they are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated. The specific procedures for the implementation of this policy and the personnel responsible are detailed below.

The Board of Directors is responsible for making a statement on risk management in the annual accounts of the Academy Trust. In order to be able to make the required statement with reasonable confidence, the Directors should ensure that:

- the identification, assessment and mitigation of risk is linked to the achievement of the Academy Trust's vision and strategic goals as set out in the Academy SEF and Development Plan
- the process covers all areas of risk e.g. governance and management, operational, financial, reputational and external factors and is focused primarily on major risks
- the process produces a risk exposure profile that reflects the Directors views as to levels of acceptable risk
- the principal results of risk identification are reviewed, evaluated and managed; and ensure that the risk management is ongoing and embedded in management and operational procedure

**NUNTHORPE ACADEMY LIMITED**  
**DIRECTORS' REPORT (continued)**  
**Year ended 31 August 2015**

Principal risks and uncertainties

The Academy continues to face the possibility of a new national funding formula not only in pre 16 education but also post 16 education. As this may be a result of national policy implementation the impact is still uncertain as the government are still working with LA's on the reduction of budget headings to simplify and make more transparent the funding formula.

In line with similar education organisations, the Academy faces a potential future recruitment issue, particularly in recruiting good quality teachers for the sciences, maths and modern foreign languages. The teaching school initiative (NESTA) is one solution to address this risk.

As parts of the Academy campus are now over 50 years old, keeping all areas in a clean, fit for purpose and safe environment for students, staff, parents and visitors presents an ongoing challenge. Regular site Health & Safety assessments are undertaken, and a comprehensive rolling programme of maintenance and repair is in place. Sources of external Capital funding are explored throughout the year, with bids placed wherever possible.

Reserves

The Directors 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 Directors have determined that the appropriate level of free reserves should be a set amount of approximately £350,000. The reason for this is to provide a sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £359,551.

The Academy held fund balances at 31 August 2015 of £9,258,388 comprising of £9,628,837 of restricted fixed asset funds, a pension reserve deficit of £730,000, a restricted general fund deficit of £nil and £359,551 unrestricted general funds.

Investment policy

The objectives of this policy are to ensure that the Academy:

- maintains sufficient cash balances in its current account to meet its day to day commitments
- invests surplus cash when appropriate to earn an acceptable rate of return without undue risk
- consider spreading risk between differing types of investment and institutions to reduce credit risk

The Academy opened and operates an interest bearing account with a bank approved by the Board of Directors (HSBC) and will maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

The Academy will not take out any long term investments until reliable cash flow pattern have been established, and monies will only be paid into term deposits not exceeding six months.

Plans for Future Periods

In line with the Academy's Development plan, our plans for the future are:

- To ensure that VA at KS5 continues to be above 0
- For all departments to achieve levels of progress (both 3LP and 3+LP) that are a minimum of 10% above national at KS4
- Ensure that the achievement gap of vulnerable students versus all students significantly narrows
- Use NESTA to train ITT students to respond to national shortage of teachers of core subjects to enable us to appoint high quality, newly qualified teachers

In addition to the above, the Academy will investigate the opportunities offered to become a Multi Academy Trust (MAT).

**NUNTHORPE ACADEMY LIMITED**  
**DIRECTORS' REPORT (continued)**  
**Year ended 31 August 2015**

**Auditors**

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office.

**Statement as to disclosure of information to auditors**

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

The Directors' Report is approved by order of the board of directors and the Strategic Report (included therein) is approved by order of the members of the Governing Body at its meeting on 7 December 2015 and signed on its behalf by:



Mr Brian H Whitfield  
Chairman

**NUNTHORPE ACADEMY LIMITED**  
**GOVERNANCE STATEMENT**  
**Year ended 31 August 2015**

**Scope of responsibility**

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

The Governing Body has delegated the day-to-day responsibility to 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 Nunthorpe Academy Limited and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Governing Body has formally met 6 times during the Period. Attendance during the period at meetings of the governing body was as follows:

<b>Director</b>	<b>Meetings attended</b>	<b>Out of possible</b>
L Brown	6	6
B H Whitfield	6	6
T Wheatley	5	6
M Robinson	6	6
M Demoily	5	6
J Sutherland	5	6
S Jones	5	6
K Ruddy	6	6
A Blacklock	4	6
Sean Wheatley	6	6
J Hutchinson	3	6
L McMann (appointed 22 Dec 2014)	4	4
E Sadler (appointed 13 Nov 2014)	3	5
C Welford (appointed 01 Dec 2014)	5	5
C Beadle (appointed 17 Nov 2014)	4	5

The Resources Development Committee is a sub-committee of the main governing body. 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 to ensure sound management of the academy's finances, including proper planning, monitoring and probity and;
- to make appropriate comments and recommendations on such matters to the governing body on a regular basis. Major issues will be referred to the full governing body for ratification.

**NUNTHORPE ACADEMY LIMITED**  
**GOVERNANCE STATEMENT**  
**Year ended 31 August 2015**

Attendance at meetings in the period was as follows:

<b>Director</b>	<b>Meetings attended</b>	<b>Out of possible</b>
L Brown	6	6
B H Whitfield	6	6
T Wheatley	4	6
M Robinson	4	6
M Demoily	6	6
S Jones	6	6
C Welford	4	4

**Governance Review**

The Academy was last inspected by OFSTED in April 2013, and was judged to be Outstanding in all areas, including Leadership & Management.

Whilst the effectiveness of the Academy's governance and structure forms a large part of this judgement, the Academy Trust recognises that further improvements are always possible and desirable, and in 2014-2015 employed a specialist education consultant to work as a Strategic Partner (previously an OFSTED inspector) with the Principal.

One of the areas to be reviewed by this strategic partnership is the on-going effectiveness of Governance. As a result, the Academy has started a whole scale review of the Academy's governance structure, including the constitution and remit of all sub-committees and the Full Board, along with the priorities of its' Link Director programme. This full review will be completed in 2015-2016.

**Review of Value for Money**

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

The accounting officer considers how the trust's use of resources has provided good value for money during the academic year, and reports to the board of directors 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:

- re-tendering the catering contract during the period. A new contractor is now in place, with positive feedback received from both students, visitors and staff in respect of an increased variety, choice and quality of the food being provided. A bio-metric, cashless payment system has also been introduced as part of this new contract, with the cost of this being covered by the catering firm.
- providing robust CPD to staff to maximise the delivery of education to our students. As part of this, a collaborative agreement has been made between the Academy, Dyke House Academy and NESTA whereby a number of staff are being 'co-sponsored' through a Masters qualification in Teaching. This collaborative working has allowed us to reduce the cost of this qualification for both the individual and the sponsoring academy.
- ensuring that contracts and service level agreements are always reviewed against the 'market' in order to ensure that best value is achieved - which need not necessarily be the least cost option. Multiple quotes and a formal tendering process is used where appropriate to ensure that the market is tested adequately.

**NUNTHORPE ACADEMY LIMITED**  
**GOVERNANCE STATEMENT**  
**Year ended 31 August 2015**

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Nunthorpe Academy Trust for the period 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Governing Body 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 Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2014 to

31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

**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 Governing Body;
- regular reviews by the Resources Development 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; and
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have decided to use RSM to undertake independent Regularity checks.

Their role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control accounts/bank reconciliations
- testing of income recording systems
- testing of the accounting system

These regularity checks have been fully delivered in line with the EFA's requirements.

**NUNTHORPE ACADEMY LIMITED**  
**GOVERNANCE STATEMENT**  
**Year ended 31 August 2015**

**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 regularity checks undertaken by RSM
- The work of the external auditor
- The financial management process
- The work of the senior 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 Resources Development 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 Governing Body on 7 December 2015 and signed on its behalf by:



Brian H Whitfield  
Chairman



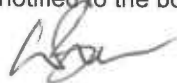
Lee Brown  
Accounting Officer

**NUNTHORPE ACADEMY LIMITED**  
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**Year ended 31 August 2015**

As Accounting Officer of Nunthorpe Academy Limited I have considered my responsibility to notify the Academy Trust governing body 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. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust governing body are able to identify any 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.

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



**Lee Brown**  
**Accounting Officer**

**NUNTHORPE ACADEMY LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**Year ended 31 August 2015**

The Directors (who act as trustees for charitable activities of Nunthorpe Academy Limited and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Directors' Report (incorporating the Strategic Report) and the financial statements in accordance with the Annual Accounts Requirements 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 Directors to prepare financial statements for each financial Period. Under company law the Directors 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 Directors are required to:

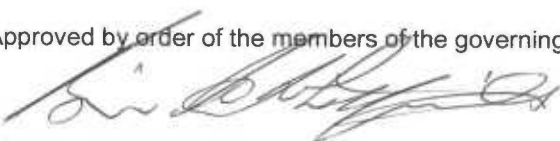
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

The Directors 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 Directors 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 Directors 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 governing body on 7 December 2015 and signed on its behalf by:



Mr Brian H Whitfield  
Chairman

**REPORT OF THE INDEPENDENT AUDITORS' TO THE MEMBERS OF  
NUNTHORPE ACADEMY LIMITED  
Year ended 31 August 2015**

We have audited the financial statements of Nunthorpe Academy Limited for the year ended 31 August 2015 on pages 20 to 45. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

**Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 17, the directors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company 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 (APB'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 <http://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 group's and the parent charitable company's affairs as at 31 August 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

**Opinion on other requirement of the Companies Act 2006**

In our opinion the information given in the Directors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS' TO THE MEMBERS OF  
NUNTHORPE ACADEMY LIMITED  
Year ended 31 August 2015**

**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:

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



CLAIRE LEECE (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

10/12/15

**NUNTHORPE ACADEMY LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

(including income and expenditure account and statement of total recognised gains and losses)  
for the year ended 31 August 2015

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>						
Income from generated funds						
- Voluntary income	4	700	-	29,836	30,536	30,610
- Activities for generating funds	5	1,156,794	-	-	1,156,794	1,414,768
Investment income	6	186	-	-	186	258
Income from charitable activities						
- Academy's educational operations	2	-	7,589,983	-	7,589,983	7,419,740
<b>Total incoming resources</b>		<b>1,157,680</b>	<b>7,589,983</b>	<b>29,836</b>	<b>8,777,499</b>	<b>8,865,376</b>
<b>Resources expended</b>						
Costs of Generating Funds						
- Costs of activities for generating funds	8	971,407	-	-	971,407	1,090,745
Charitable activities						
- Academy's educational operations	9	-	7,803,099	333,310	8,136,409	7,980,449
Governance costs	10	-	39,524	-	39,524	17,757
<b>Total resources expended</b>	7	<b>971,407</b>	<b>7,842,623</b>	<b>333,310</b>	<b>9,147,340</b>	<b>9,088,951</b>
<b>Net incoming/(outgoing) resources before and transfers</b>		<b>186,273</b>	<b>(252,640)</b>	<b>(303,474)</b>	<b>(369,841)</b>	<b>(223,575)</b>
Gross transfers between funds	16	(284,875)	235,640	49,235	-	-
<b>Net income/(expenditure) for the year</b>		<b>(98,602)</b>	<b>(17,000)</b>	<b>(254,239)</b>	<b>(369,841)</b>	<b>(223,575)</b>
<b>Other recognised gains &amp; losses</b>						
Actuarial loss on defined benefit pension schemes	15	-	(46,000)	-	(46,000)	(69,000)
<b>Net movement in funds</b>		<b>(98,602)</b>	<b>(63,000)</b>	<b>(254,239)</b>	<b>(415,841)</b>	<b>(292,575)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward at 1 September 2014		<b>458,153</b>	<b>(667,000)</b>	<b>9,883,076</b>	<b>9,674,229</b>	<b>9,966,804</b>
<b>Total fund balances carried forward at 31 August 2015</b>		<b>359,551</b>	<b>(730,000)</b>	<b>9,628,837</b>	<b>9,258,388</b>	<b>9,674,229</b>

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

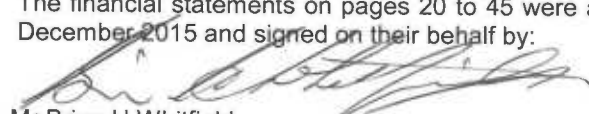
**NUNTHORPE ACADEMY LIMITED (Company Number 08188507)**

**BALANCE SHEETS**

**at 31 August 2015**

	<b>Note</b>	<b>Group 2015 £</b>	<b>Company 2015 £</b>	<b>Group 2014 £</b>	<b>Company 2014 (restated) £</b>
<b>Fixed assets</b>					
Tangible assets	12	9,599,001	9,599,001	9,883,076	9,883,076
Investments	27	-	1	-	1
		<u>9,599,001</u>	<u>9,599,002</u>	<u>9,883,076</u>	<u>9,883,077</u>
<b>Current assets</b>					
Debtors	13	91,615	105,212	136,900	133,522
Cash at bank and in hand		788,715	763,371	750,554	718,076
		<u>880,330</u>	<u>868,583</u>	<u>887,454</u>	<u>851,598</u>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	(490,943)	(486,986)	(429,301)	(426,157)
<b>Net current assets</b>		<u>389,387</u>	<u>381,597</u>	<u>458,153</u>	<u>425,441</u>
<b>Total assets less current liabilities</b> (excluding pension liability)		<u>9,988,388</u>	<u>9,980,599</u>	<u>10,341,229</u>	<u>10,308,518</u>
<b>Pension scheme liability</b>	15	(730,000)	(730,000)	(667,000)	(667,000)
<b>Net assets</b> (including pension liability)		<u>9,258,388</u>	<u>9,250,599</u>	<u>9,674,229</u>	<u>9,641,518</u>
<b>Total funds of Academy Trust</b>					
<b>Restricted funds</b>					
Restricted Fixed Asset fund	16/17	9,628,837	9,628,837	9,883,076	9,883,076
Restricted General fund	16/17	-	-	-	-
		<u>9,628,837</u>	<u>9,628,837</u>	<u>9,883,076</u>	<u>9,883,076</u>
Restricted funds excluding pension fund		<u>9,628,837</u>	<u>9,628,837</u>	<u>9,883,076</u>	<u>9,883,076</u>
Pension fund	15	(730,000)	(730,000)	(667,000)	(667,000)
<b>Total Restricted funds</b>	16/17	<u>8,898,837</u>	<u>8,898,837</u>	<u>9,216,076</u>	<u>9,216,076</u>
<b>General fund</b>					
Unrestricted fund	16/17	359,551	351,762	458,153	425,442
<b>Total Academy funds</b>	16/17	<u>9,258,388</u>	<u>9,250,599</u>	<u>9,674,229</u>	<u>9,641,518</u>

The financial statements on pages 20 to 45 were approved by the Directors and authorised for issue on 7 December 2015 and signed on their behalf by:

  
Mr Brian H Whitfield  
Chairman

**NUNTHORPE ACADEMY LIMITED**  
**CONSOLIDATED CASHFLOW STATEMENT**  
for the year ended 31 August 2015

	Note	2015 £	2014 £
<b>Net cash (outflow)/inflow from operating activities</b>	25	57,374	(97,324)
<b>Returns on investments and servicing of finance</b>			
Interest received		186	258
<b>Capital income/(expenditure)</b>			
Capital grants from DfE		29,836	29,110
Purchase of tangible fixed assets		(49,235)	(51,588)
		(19,399)	(22,478)
<b>Reconciliation of net cash flow to movement in net funds</b>			
(Decrease) / Increase in cash in the period		38,161	(119,544)
Net funds at 1 September 2014		750,554	870,098
Net funds at 31 August 2015		788,715	750,554
	<b>At 31 August 2014 £</b>	<b>Cash Flows £</b>	<b>At 31 August 2015 £</b>
Cash at bank and in hand	750,554	38,161	788,715

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2015**

**1 ACCOUNTING POLICIES**

**Basis of Preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**Change in accounting policy**

During the year the academy changed its accounting policy in respect of gift aid receipts in the light of recent ICAEW guidance. The effect on the academy's comparative figures is a decrease in the net assets of £25,837 at 31 August 2014. (Note 28)

**Going Concern**

After reviewing financial and other information available, the Directors consider that the Academy 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. The Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

**Consolidation**

The group financial statements consolidate those of the company and its subsidiary undertaking, Nunthorpe Learning and Leisure Limited, over which it exercises control. These financial statements are drawn up to 31 August 2015. Profits or losses on intra-group transactions are eliminated in full.

**Incoming resources**

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

**Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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.

**Donations**

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

**Other income**

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

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2015**

**1 ACCOUNTING POLICIES (continued)**

**Interest receivable**

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

**Resources expended**

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

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

Charitable activities are costs incurred on the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Directors' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**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 Directors.

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency (EFA) and Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the funders, where the asset acquired or created is held for a specific purpose.

**Tangible fixed assets**

Tangible fixed assets costing £1,000 or more are capitalised at cost 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 the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2015**

**1 ACCOUNTING POLICIES (continued)**

**Tangible fixed assets (continued)**

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

Land	N/A
Freehold properties	50 years
Fixtures and fittings	5 years
ICT computer equipment	3 years
Motor vehicles	7 years

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.

**Leased assets**

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

**Taxation**

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 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 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 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 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 quinquennial valuations using a prospective benefit method. As stated in Note 15, the TPS is a multi employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each period.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2015**

**1 ACCOUNTING POLICIES (continued)**

**Agency arrangements**

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the statement of financial activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

During the year ended 31 August 2015 the 5% contribution was waived.

**Fixed asset investments**

Fixed asset investments are carried at historical cost less any provision for impairment in value.

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2015

**2 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £	Restricted funds £	Restricted fixed assets fund £	2015 Total £	2014 Total £
<b>DfE/EFA REVENUE GRANTS</b>					
General annual grant (GAG) (note 3)	-	7,139,670	-	7,139,670	7,083,894
	-	7,139,670	-	7,139,670	7,083,894
<b>OTHER GOVERNMENT GRANTS</b>					
Pupil premium	-	326,921	-	326,921	275,596
Other Government Funding	-	123,392	-	123,392	60,250
	-	450,313	-	450,313	335,846
	-	7,589,983	-	7,589,983	7,419,740

**3 GENERAL ANNUAL GRANT (GAG)**

The funding agreement does not include a limit on the GAG available to carry forward.

**4 VOLUNTARY INCOME**

	Unrestricted funds £	Restricted funds £	Restricted fixed assets fund £	2015 Total £	2014 Total £
DfE capital grant	-	-	29,836	29,836	29,110
Donations	700	-	-	700	1,500
	700	-	29,836	30,536	30,610

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2015

**5 ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
School Fund income	160,565	-	160,565	156,566
Tuition income	123,066	-	123,066	126,276
Sixth Form income	778,371	-	778,371	820,300
Contribution from Sixth Form Experience	-	-	-	149,710
Rental income	21,389	-	21,389	24,366
Staff recharges	15,321	-	15,321	70,293
Locker income	9,338	-	9,338	9,934
School trip income	2,728	-	2,728	25,220
NESTA course fees	5,000	-	5,000	-
Other income	41,016	-	41,016	32,103
	<u>1,156,794</u>	<u>-</u>	<u>1,156,794</u>	<u>1,414,768</u>

**6 INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	2015 Total £	2014 Total £
Bank interest	186	-	186	258
	<u>186</u>	<u>-</u>	<u>186</u>	<u>258</u>

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2015

**7 RESOURCES EXPENDED**

	Staff Costs £	Premises costs £	Other £	2015 Total £	2014 Total £
Cost of activities for generating funds	795,903	-	175,504	971,407	1,090,745
Academy's Educational Operations					
Direct costs	3,923,737	333,310	1,205,993	5,463,040	5,526,337
Allocated support costs	1,864,087	612,390	196,892	2,673,369	2,454,112
Governance costs including allocated support costs	-	-	39,524	39,524	17,757
	<u>6,583,727</u>	<u>945,700</u>	<u>1,617,913</u>	<u>9,147,340</u>	<u>9,088,951</u>

Net (outgoing)/incoming resources for the year is stated after deducting:

Fees payable to RSM UK Audit LLP and its associates for:

- audit

- other services

Operating lease costs:

Plant and machinery

**2015**  
£

**2014**  
£

14,100

10,600

6,975

2,650

16,247

10,774

**8 COST OF GENERATING FUNDS**

	Unrestricted Funds £	Restricted General Funds £	2015 £	2014 £
School fund expenditure	153,209	-	153,209	173,054
Catering staff costs	10,314	-	10,314	63,407
Sixth Form staff costs	690,651	-	690,651	735,300
Learning and Leisure staff costs	94,938	-	94,938	80,320
Learning and Leisure other costs	20,215	-	20,215	20,716
Other	2,080	-	2,080	17,948
	<u>971,407</u>	<u>-</u>	<u>971,407</u>	<u>1,090,745</u>

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2015

**9 CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2015 £	2014 £
<b>Direct costs</b>					
Teaching and education support staff Costs	-	3,923,737	-	3,923,737	3,751,952
Depreciation	-	-	333,310	333,310	324,118
Educational supplies	-	904,943	-	904,943	1,137,144
Examination fees	-	108,254	-	108,254	107,616
Staff development	-	24,750	-	24,750	27,873
Educational careers support	-	22,850	-	22,850	25,440
Other direct costs	-	145,196	-	145,196	152,194
<b>Total direct costs</b>	-	5,129,730	333,310	5,463,040	5,526,337
<b>Allocated support costs</b>					
<b>Personnel Costs</b>					
Support staff costs	-	1,864,087	-	1,864,087	1,703,471
Recruitment and support	-	15,295	-	15,295	35,879
	-	1,879,382	-	1,879,382	1,739,350
<b>Establishment Expenses</b>					
Maintenance of premises & equipment	-	372,799	-	372,799	321,381
Rent & rates	-	49,443	-	49,443	35,049
Light & heat	-	111,253	-	111,253	121,744
Insurance	-	78,895	-	78,895	67,661
	-	612,390	-	612,390	545,835
<b>General Expenses</b>					
Cleaning	-	44,060	-	44,060	35,858
Security & transport	-	8,528	-	8,528	13,370
Bank charges	-	2,546	-	2,546	2,000
FRS 17 finance income	-	(45,000)	-	(45,000)	(16,000)
Other support costs	-	171,463	-	171,463	133,699
	-	181,597	-	181,597	168,927
<b>Total allocated support costs</b>	-	2,673,369	-	2,673,369	2,454,112
<b>Total direct and support costs</b>	-	7,803,099	333,310	8,136,409	7,980,449

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2015

**10 GOVERNANCE COSTS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration		
Audit of financial statements	14,100	10,600
Other services	6,975	2,650
Legal fees	10,746	4,507
Other support costs	7,703	-
	<u>39,524</u>	<u>17,757</u>

**11 STAFF COSTS**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Staff costs during the period were:		
Wages and salaries	5,322,217	5,164,922
Social security costs	386,125	378,059
Pension costs	761,631	719,938
	<u>6,469,973</u>	<u>6,262,919</u>
Supply teacher costs	113,754	71,531
	<u>6,583,727</u>	<u>6,334,450</u>

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2015 was as follows:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
Teachers	102	96
Administration and support	85	96
Management	4	4
	<u>191</u>	<u>196</u>

The number of employees whose **annual** emoluments fell within the following bands was:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	3	2
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1
£100,001 - £110,000	-	1
	<u>4</u>	<u>5</u>

During 2015, there was one Principal (2014: two).

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2015**

**11 STAFF COSTS (continued)**

Three are the above employees participated in the Teachers' Pension Scheme, and one participated in the Local Government Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £39,407 (2014: £32,546).

**DIRECTORS' REMUNERATION AND EXPENSES**

Principal and staff Directors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Directors. Other Directors did not receive any payments from the Academy in respect of their role as Directors. The annual amount of the Principal's remuneration was £88,102 (2014: £85,114). The Principal is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £12,422 (2014: £3,538).

The annual amount of other staff directors' remuneration, excluding employer pension contributions, was £57,006 (2014: £61,120). The staff directors are accruing retirement benefits under the Local Government Pension Scheme and contributions paid in the year amounted to £8,492 (2014: £4,546). During the year ended 31 August 2015, travel and subsistence expenses totalling £nil (2014: £nil) were reimbursed to Directors.

Related party transactions involving the trustees are set out in note 21.

**DIRECTORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors 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 2015 was £540 (2014: £540). The cost of this insurance is included in the total insurance cost.

**12 TANGIBLE FIXED ASSETS**

Group and Company	Freehold properties £	Fixtures and fittings £	ICT computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2014	9,980,000	209,399	269,970	14,110	10,473,479
Additions	35,000	-	14,235	-	49,235
At 31 August 2015	<u>10,015,000</u>	<u>209,399</u>	<u>284,205</u>	<u>14,110</u>	<u>10,522,714</u>
<b>Depreciation</b>					
At 1 September 2015	382,567	55,023	150,629	2,184	590,403
Charge in period	199,600	31,403	100,291	2,016	333,310
At 31 August 2015	<u>582,167</u>	<u>86,426</u>	<u>250,920</u>	<u>4,200</u>	<u>923,713</u>
<b>Net book value</b>					
At 31 August 2015	<u>9,432,833</u>	<u>122,973</u>	<u>33,285</u>	<u>9,910</u>	<u>9,599,001</u>
At 31 August 2014	<u>9,597,433</u>	<u>154,376</u>	<u>119,341</u>	<u>11,926</u>	<u>9,883,076</u>

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2015

**13 DEBTORS**

	Group	Company	Group	Company
	2015	2015	2014	2014 (restated)
	£	£	£	£
Trade debtors	11,533	11,533	27,239	26,948
Prepayments	39,791	39,791	67,232	64,145
VAT recoverable	39,888	39,888	42,429	42,429
Amounts due from group undertakings	-	14,000	-	-
Other debtors	403	-	-	-
	<u>91,615</u>	<u>105,212</u>	<u>136,900</u>	<u>133,522</u>

**14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group	Company	Group	Company
	2015	2015	2014	2014
	£	£	£	£
Trade creditors	202,566	201,212	113,959	113,010
Accruals and deferred income	78,220	76,500	108,901	107,252
Other taxation and social security	113,780	113,249	113,400	112,854
Other creditors	96,377	96,025	93,041	93,041
	<u>490,943</u>	<u>486,986</u>	<u>429,301</u>	<u>426,157</u>

	At 31 August 2015 £	At 31 August 2014 £
<b>Accruals and deferred income comprises:</b>		
Deferred income at 1 September 2014	60,000	-
Incoming resources deferred in the period	-	60,000
Amounts released from previous years	(60,000)	-
Deferred income at 31 August 2015	<u>-</u>	<u>60,000</u>
Accruals	<u>78,220</u>	<u>48,901</u>
Total accruals and deferred income	<u>78,220</u>	<u>108,901</u>

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**15 PENSIONS AND SIMILAR OBLIGATIONS**

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Middlesbrough Borough Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £95,396 (2014: £93,201) were payable to the scheme at 31 August 2015 and are included within other creditors.

**Teachers' Pension Scheme**

The Teachers' Pensions 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. The TPS is an unfunded scheme and members contribute on a 'pay as-you-go' basis, and along with employers' contributions, are credited to the Exchequer.

Valuation of the Teachers' Pensions Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. 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:

- Total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191,500 million
- Value of the notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176,600 million
- Assumed nominal rate of return is 5.06%
- Rate of real earnings growth is assumed to be 2.75%
- Assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings

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 and an employee cost cap of 10.9%. The employer contribution rate will be payable until the next valuation as at 31 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 year amounted to £521,438 (2014 £501,938).

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2015**

**15 PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Teachers' Pension Scheme (continued)**

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2015 was £261,000 (2014: £265,000), of which employer's contributions totalled £182,000 (2014: £190,000) and employees' contribution totalled £79,000 (2014: £75,000).

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2015

**15 PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

Principal actuarial assumptions

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Rate of increase in salaries	3.5%	3.6%
Rate of increase for pensions in payment	2.0%	2.1%
Discount rate	3.8%	3.7%
Inflation (CPI)	2.0%	2.1%

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Retiring today:		
Males	23.0	22.9
Females	25.5	25.4
Retiring in 20 years:		
Males	25.5	25.1
Females	27.8	27.7

The Academy's share of the assets and liabilities in the scheme:

	<b>Fair value at 31 August 2015</b>	<b>Fair value at 31 August 2014</b>
Equities	1,970,262	1,852,997
Property	148,428	121,878
Government bonds	40,698	42,883
Corporate bonds	38,304	99,308
Cash	153,216	88,023
Other	43,092	51,911
<b>TOTAL MARKET VALUE OF ASSETS</b>	<b>2,394,000</b>	<b>2,257,000</b>
Present value of scheme liabilities		
- Funded	(3,124,000)	(2,924,000)
<b>DEFICIT IN THE SCHEME</b>	<b>(730,000)</b>	<b>(667,000)</b>

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**15 PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

The actual return on scheme assets was £33,000 (2014: £337,000).

Nunthorpe Academy Limited employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to general higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2015.

<b>Amounts recognised in the statement of financial activities</b>	<b>2015 £</b>	<b>2014 £</b>
Current service cost (net of employer contributions)	62,000	28,000
	<hr/>	<hr/>
Total operating charge	62,000	28,000
	<hr/>	<hr/>
Analysis of pension finance costs/(income)		
Expected return on pension scheme assets	(157,000)	(123,000)
Interest on pension liabilities	112,000	107,000
	<hr/>	<hr/>
Net pension finance income	(45,000)	(16,000)
	<hr/>	<hr/>

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2015**

**Local Government Pension Scheme (continued)**

The actuarial gains and losses for the current period are recognised in the SOFA.

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses since the adoption of FRS 17 is a loss of £296,000 (2014: £250,000).

Movements in the present value of defined benefit obligations were as follows:	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
Opening present value of liabilities	2,924,000	2,245,000
Current service cost	244,000	218,000
Interest cost	112,000	107,000
Employee contributions	79,000	75,000
Net benefits paid out	(91,000)	(4,000)
Actuarial (gain)/loss	(144,000)	283,000
	<hr/>	<hr/>
At 31 August	3,124,000	2,924,000
	<hr/>	<hr/>
Movements in the fair value of Academy's share of scheme assets:		
Opening present value of assets	2,257,000	1,659,000
Expected return on assets	157,000	123,000
Actuarial (loss)/gain	(190,000)	214,000
Employer contributions	182,000	190,000
Employee contributions	79,000	75,000
Net benefits paid out	(91,000)	(4,000)
	<hr/>	<hr/>
At 31 August	2,394,000	2,257,000
	<hr/>	<hr/>

Employer contributions for the period ended 31 August 2016 are expected to be £188,000.

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2015

**15 PENSIONS AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (continued)**

The history of experience adjustments is as follows:

	2015 £	2014 £	2013 £
Present value of defined benefit obligations	(3,124,000)	(2,924,000)	(2,245,000)
Fair value of share of scheme assets	2,394,000	2,257,000	1,659,000
	<hr/>	<hr/>	<hr/>
Deficit in the scheme	(730,000)	(667,000)	(586,000)
	<hr/>	<hr/>	<hr/>
Experience adjustments on share of scheme assets			
Amount	(7.9%) (£190,000)	9.5% £214,000	4.9% £81,000
Experience adjustments on scheme liabilities:			
Amount	0.0% (£nil)	(1.5%) (£43,000)	0.0% £nil

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2015

**16 FUNDS - CONSOLIDATED**

	Balance at 31 August 2014 £	Incoming resources £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2015 £
<b>Restricted General Fund</b>					
General Annual Grant (GAG)	-	7,139,670	(7,375,310)	235,640	-
Pension reserve	(667,000)	-	(17,000)	(46,000)	(730,000)
	<u>(667,000)</u>	<u>7,139,670</u>	<u>(7,392,310)</u>	<u>189,640</u>	<u>(730,000)</u>
Other Government funding	-	123,392	(123,392)	-	-
Pupil Premium funding	-	326,921	(326,921)	-	-
	<u>-</u>	<u>450,313</u>	<u>(450,313)</u>	<u>-</u>	<u>-</u>
<b>Restricted General Funds</b>	<u>(667,000)</u>	<u>7,589,983</u>	<u>(7,842,623)</u>	<u>189,640</u>	<u>(730,000)</u>
<b>Restricted Fixed Asset Fund</b>					
Land and building transfer from Council	9,472,915	-	(199,600)	-	9,273,315
Fixtures and fittings transfer from Council	72,887	-	(17,850)	-	55,037
Computer equipment transferred from Council	140,973	-	(67,667)	-	73,306
DfE capital grants	58,760	29,836	-	(58,760)	29,836
Capital expenditure from unrestricted funds	137,541	-	(48,193)	107,995	197,343
	<u>9,883,076</u>	<u>29,836</u>	<u>(333,310)</u>	<u>49,235</u>	<u>9,628,837</u>
<b>Restricted Fixed Asset Fund</b>	<u>9,883,076</u>	<u>29,836</u>	<u>(333,310)</u>	<u>49,235</u>	<u>9,628,837</u>
<b>Total Restricted funds</b>	<u>9,216,076</u>	<u>7,619,819</u>	<u>(8,175,933)</u>	<u>238,875</u>	<u>8,898,837</u>
<b>Total Unrestricted funds</b>	<u>458,153</u>	<u>1,157,680</u>	<u>(971,407)</u>	<u>(284,875)</u>	<u>359,551</u>
<b>Total Funds</b>	<u>9,674,229</u>	<u>8,777,499</u>	<u>(9,147,340)</u>	<u>(46,000)</u>	<u>9,258,388</u>

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

**General Annual Grant**

General Annual Grant must be used for the normal running costs of the Academy. The Academy Trust is not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

**Other Government Funding**

Other Government Funding relates to summer school income, year 7 catch up grant, teaching schools grant, DSG grant and inspire to learn grant which were all received and fully utilised in the year.

**Pupil Premium**

Pupil Premium income, which is targeted at disadvantaged pupils to raise attainment, was fully utilised in the year.

**Pension deficit**

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

**Land and building, fixtures and fittings and Computer equipment transfer**

This balance is the freehold main school premises to be depreciated over the life of the lease and the estimated value of other fixed assets on conversion to be depreciated over their remaining life.

**DfE Capital**

Capital funding has been received from the DfE for utilisation on building improvements and refurbishments. Depreciation will be charged to the fund over the life of the related assets.

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2015

**17 FUNDS – COMPANY**

	Balance at 31 August 2014 (restated) £	Incoming resources £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2015 £
<b>Restricted General Fund</b>					
General Annual Grant (GAG)	-	7,139,670	(7,375,310)	235,640	-
Pension reserve	(667,000)	-	(17,000)	(46,000)	(730,000)
	<u>(667,000)</u>	<u>7,139,670</u>	<u>(7,392,310)</u>	<u>189,640</u>	<u>(730,000)</u>
Other Government funding	-	123,392	(123,392)	-	-
Pupil Premium funding	-	326,921	(326,921)	-	-
	<u>-</u>	<u>450,313</u>	<u>(450,313)</u>	<u>-</u>	<u>-</u>
<b>Restricted General Funds</b>	<u>(667,000)</u>	<u>7,589,983</u>	<u>(7,842,623)</u>	<u>189,640</u>	<u>(730,000)</u>
<b>Restricted Fixed Asset Fund</b>					
Land and building transfer from Council	9,472,915	-	(199,600)	-	9,273,315
Fixtures and fittings transfer from Council	72,887	-	(17,850)	-	55,037
Computer equipment transferred from Council	140,973	-	(67,667)	-	73,306
DfE capital grants	58,760	29,836	-	(58,760)	29,836
Capital expenditure from unrestricted funds	137,541	-	(48,193)	107,995	197,343
	<u>9,883,076</u>	<u>29,836</u>	<u>(333,310)</u>	<u>49,235</u>	<u>9,628,837</u>
<b>Restricted Fixed Asset Fund</b>	<u>9,883,076</u>	<u>29,836</u>	<u>(333,310)</u>	<u>49,235</u>	<u>9,628,837</u>
<b>Total Restricted funds</b>	<u>9,216,076</u>	<u>7,619,819</u>	<u>(8,175,933)</u>	<u>238,875</u>	<u>8,898,837</u>
<b>Total Unrestricted funds</b>	<u>425,442</u>	<u>1,067,449</u>	<u>(856,254)</u>	<u>(284,875)</u>	<u>351,762</u>
<b>Total Funds</b>	<u>9,641,518</u>	<u>8,687,268</u>	<u>(9,032,187)</u>	<u>(46,000)</u>	<u>9,250,599</u>

The Academy has taken advantage of Section 408 of the Companies Act 2006 and has not included its own Statement of Financial Activities in these financial statements. The Academy's deficit for the year was £390,919 (2014 (restated): £318,412).

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**18 ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP**

	Unrestricted Funds £	Restricted General Fund £	Restricted Fixed Asset Fund £	Total 2015 £	Total 2014 £
Tangible fixed assets	-	-	9,599,001	9,599,001	9,883,076
Current assets	850,494	-	29,836	880,330	861,492
Current liabilities	(490,943)	-	-	(490,943)	(403,339)
Pension liability	-	(730,000)	-	(730,000)	(667,000)
<b>Total net assets</b>	<u>359,551</u>	<u>(730,000)</u>	<u>9,628,837</u>	<u>9,258,388</u>	<u>9,674,229</u>

**19 OPERATING LEASES**

At 31 August the Group had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Other:		
Expiring within one year	1,005	--
Expiring within two and five years inclusive	17,805	12,035
	<u>18,810</u>	<u>12,035</u>

**20 ULTIMATE CONTROLLING PARTY**

The Academy is a charitable company limited by guarantee, has no share capital and is controlled by its members.

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2015**

**21 RELATED PARTY TRANSCATIONS**

Owing to the nature of the Academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is inevitable that transactions may take place with organisations in which a member of the Governing Body may have an interest. Any 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 year, expenditure totalling £2,400 (2014: £640) was incurred with Alpha Graphics, a company which Stephen Jones, a director of Nunthorpe Academy Limited, is an employee of.

Nunthorpe Learning and Leisure Limited, a wholly owned subsidiary, was incorporated on 27 September 2012. The group has taken advantage of the exemption under Financial Reporting Standard 8 whereby intra-group transactions do not need to be disclosed.

**22 CONTINGENT LIABILITIES**

In the event that during the period of the funding agreement, the Academy sells or disposes of any asset for which a capital grant was received, the Academy shall repay the same proportion of the proceeds of sale or disposal as equates with the proportion of the original cost met by the Secretary of State, unless the Secretary of State agrees to some or all of the proceeds being retained by the Academy for its charitable purposes.

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

**24 THE SIXTH FORM EXPERIENCE**

The Academy has entered into a memorandum of understanding with Hillview Academy (previously Eston Park Academy and Gillbrook Academy) to work together to provide a sixth form. Each academy receives funding directly from the EFA and this is transferred to the Sixth Form Experience. Nunthorpe Academy Limited transferred £665,104 to the Sixth Form Experience during the year to 31 August 2015 (2014: £943,937). In addition during the year, Nunthorpe Academy Limited received income of £775,650 (2014: £820,300) from the Sixth Form Experience for agreed recharges relating to staff costs of £690,651 (2014: £735,300) and facilities management of £85,000 (2014: £85,000). In addition, contributions of £nil (2014: £149,710) were received from the Sixth Form Experience.

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2015

**25 RECONCILIATION OF MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES**

	2015 £	2014 £
Net (outgoing)/incoming resources	(369,841)	(223,575)
Depreciation	333,310	324,118
Interest receivable	(186)	(258)
FRS 17 – Finance costs	(45,000)	(16,000)
FRS 17 – Staff costs	62,000	28,000
Decrease/(Increase) in debtors	45,285	(51,768)
Increase/(Decrease) in creditors	61,642	(128,731)
Capital grants from DfE	(29,836)	(29,110)
	<u>57,374</u>	<u>(97,324)</u>

**26 AGENCY ARRANGEMENTS**

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £10,407 and disbursed £10,407.

**27 SUBSIDIARY**

The Academy has set up a subsidiary company which was incorporated on 27 September 2012, to trade in educational services to the wider community outside the scope of the Academy. The company, Nunthorpe Learning and Leisure Limited, has a company number of 08232394. An investment of £1 exists in the subsidiary company, as included on the entity balance sheet.

The subsidiary company's Board of Directors are responsible for the company including its viability and for ensuring its functions do not impact on the Academy's core business of providing the best possible education for its students. All profits from the subsidiary company are donated to the Academy via a gift aid payment.

During the year ended 31 August 2015, profits of £7,790 (2014 (restated): £32,711) were generated and gift aided to Nunthorpe Academy Limited. At 31 August 2015 an amount of £14,000 (2014 (restated): £nil) was owed from Nunthorpe Learning and Leisure Limited to Nunthorpe Academy Limited, as included within note 13.

At the period end, the subsidiary held aggregate assets of £25,748 (2014: £35,856), aggregate liabilities of £17,957 (2014 (restated): £32,712) and total funds of £7,791 (2014 (restated): £32,712).

**NUNTHORPE ACADEMY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2015**

**28 PRIOR PERIOD ADJUSTMENT**

In the prior year the entity's subsidiary, Nunthorpe Learning and Leisure Limited, donated its taxable profits to the parent academy and accounted for this as an expense. Following the ICAEW Technical Release "Guidance on donation by a company to its parent charity" the accounting treatment has changed, and these donations of taxable profits are deemed to constitute distributions. As a result of this change, the timing of the distributions have changed as these only become payable when approved by the parent academy. The effect in the parent academy in the prior period is to increase the deficit by £25,837 from £292,575 to £318,412 and to decrease the amounts owed by the group by £32,711 from £32,711 to £nil.

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE MEMBERS OF NUNTHORPE ACADEMY LIMITED**

In accordance with the terms of our engagement letter dated 22 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies: Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nunthorpe Academy Limited during the year 1 September 2014 to 31 August 2015 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 Nunthorpe Academy Limited and the EFA in accordance with the terms of our engagement letter dated 20 October 2014. Our work has been undertaken so that we might state to Nunthorpe Academy Limited 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 Nunthorpe Academy Limited and the EFA, for our work, for this report, or for the conclusion we have formed.

### **RESPECTIVE RESPONSIBILITIES OF NUNTHORPE ACADEMY LIMITED'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Nunthorpe Academy Limited's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 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 trust's income and expenditure.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY  
TO THE MEMBERS OF NUNTHORPE ACADEMY LIMITED**

**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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*RSM UK Audit LLP*

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

*10/12/15*