

Company Registration No: 08188507 (England and Wales)

NUNTHORPE ACADEMY LIMITED

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED TO 31 AUGUST 2016

NUNTHORPE ACADEMY LIMITED
REFERENCE AND ADMINISTRATIVE DETAILS

Members	B H Whitfield M Robinson S Jones K Ruddy
Directors	B H Whitfield (chairman) M Robinson S Jones K Ruddy C Welford C Beadle L McMann (staff director) A Blacklock (staff director) L Brown (principal and accounting officer)
Company Secretary	Watson Burton LLP
Senior Management Team: <ul style="list-style-type: none">• Executive Principal• Head of School• Vice Principal• Director of Business and finance	L Brown D Yates K Kell N Goodall
Company Name	Nunthorpe Academy Limited
Principal and Registered Office	Guisborough Road Nunthorpe TS7 0LA
Company Registration Number	08188507 (England and Wales)
Independent Auditor	RSM UK Audit LLP 1 St James' Gate Newcastle Upon Tyne NE1 4AD
Bankers	HSBC plc 60 Albert Road Middlesbrough TS1 1RS
Solicitors	Watson Burton LLP 1 St James' Gate Newcastle Upon Tyne NE1 4AD

NUNTHORPE ACADEMY LIMITED

DIRECTORS' REPORT

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

The trust operates an academy for pupils aged 11 to 19 serving a catchment area in Nunthorpe, Middlesbrough. In the school census in January 2016 the academy had a roll of 1,605 students.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The directors of Nunthorpe Academy Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Nunthorpe Academy.

Details of the directors who served during the year and after the year end are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Directors' 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.

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:-

B H Whitfield
M H Robinson
S Jones
K Ruddy

Parent Directors:
S Jones

Staff Directors:
A Blacklock
L Brown (Principal)
L McMann

NUNTHORPE ACADEMY LIMITED
DIRECTORS' REPORT (continued)

Community Directors:

B H Whitfield
M H Robinson
K Ruddy
K C Welford

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

E Sadler	(resigned 20 October 2015)
T Wheatley	(resigned 31 December 2015)
J Sutherland	(resigned 8 February 2016)
S Wheatley	(resigned 21 March 2016)
M Demoily	(resigned 6 August 2016)

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.

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 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

NUNTHORPE ACADEMY LIMITED
DIRECTORS' REPORT (continued)

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.

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).

NUNTHORPE ACADEMY LIMITED

DIRECTORS' REPORT (continued)

Arrangements for setting pay and remuneration of key management personnel

The academy's Pay and Progression policy for senior leaders has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document. The policy aims to promote high standards of educational achievement in the academy by:

- Supporting the recruitment and retention of a high quality senior leadership team;
- Enabling the academy to recognise and reward senior leaders appropriately for their contributions at the academy;
- Helping to ensure that decisions on pay are managed in a fair and transparent way.

Pay bands and progression decisions are made, in conjunction with the Academy Principal, by a Salary Review Committee which is made up of a minimum of three (non staff) Governors. Progression is assessed against annual performance targets, and in the case of the Principal, an external advisor supports this assessment.

No academy Director/Governor, other than elected staff representatives, receive any remuneration from the academy.

Related Parties and other Connected Charities and Organisations

The Academy has two subsidiary companies, Nunthorpe Learning & Leisure 2015 Limited and Nunthorpe Learning and Leisure Limited. These subsidiaries were established to trade in adult learning. All profits from the subsidiary companies are donated to the Academy. The Academy's Principal manages the subsidiary companies. The subsidiary companies' Board of Directors are responsible for the companies including their viability and for ensuring their functions do not impact on the Academy's core business of providing the best possible education for its students.

Details of the subsidiary companies, including their results for the year are included in Note 25.

There is one related party (Alpha Graphics). Details of the transactions with related parties are stated in Note 22 to the financial statements.

The Academy gained Teaching School status in 2014, and is now working collaboratively with six local primary schools and one secondary school partner. The teaching school started training the first cohort of teacher trainees in September 2015, with all four secondary and all three primary students gaining a PGCE and Qualified Teacher Status.

During the period, we continued to build upon our strong relationship with Northumbria University, and eight secondary and 5 primary trainee teachers are now in place (starting September 2016) to start their training towards Qualified Teacher Status (QTS). Ten staff members from within the NESTA collaboration have already gained Specialist Leader of Education status.

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.

NUNTHORPE ACADEMY LIMITED
DIRECTORS' REPORT (continued)

Objectives, Strategies and Activities

Our Objectives

The Academy's objectives are detailed in its Academy Development Plan. During 2015-2016, 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.

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

One of our core values 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 1,605 at the school census, January 2016.

The Academy's A*-C (including English and Maths) is currently 68% against a national figure of 54%. In the summer 2016 exams 20 students achieved a minimum of 8 A*/A grades, a fantastic performance. Students achieving A*-C with English stood at 80%, and those achieving A*-C with Maths stood at 76%. The summer 2016 A Level results were the best that the academy has seen with a 100% pass rate.

Ofsted Outstanding in all areas.

NUNTHORPE ACADEMY LIMITED
DIRECTORS' REPORT (continued)

Going Concern

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

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 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2016, total expenditure of £8,848,794 (2015: £9,222,340) was less than the total grant funding received from the DfE/EFA together with other incoming resources. The excess income over total expenditure for the year (prior to gains/losses) was £214,513 (2015: excess expenditure over income of £444,841).

Excluding the restricted fixed asset funds there is a total carried forward deficit of £1,366,499 of which £2,188,000 relates to the pension deficit. The closing funds excluding the restricted fixed asset fund and the pension deficit are therefore £821,501.

As at 31 August 2016 the net book value of fixed assets was £9,465,400 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of Nunthorpe Academy.

Key financial performance indicators

- The average number of persons (including the senior management team) employed by the Academy during the period ended 31 August 2016 was as follows:
 - 109 Teachers
 - 93 Administration and support
 - 4 Senior Management
- The restricted GAG income received in the year ending 31 August 2016 was £7,624,647
- The liquid resources are £1,112,924 at 31 August 2016
- The ratio of current assets to current liabilities at 31 August 2016 is 2.47.

Reserves Policy

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 minimum 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 £654,156. Looking forward the Directors have determined that these free reserves should be decreased, if possible, to closer to £500,000 in order to reflect the uncertainties in the future funding formulae in education, the increasing age and condition of the site and the economic pressures generally seen.

NUNTHORPE ACADEMY LIMITED

DIRECTORS' REPORT (continued)

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 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.

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.

Following the 2016 referendum on 'Brexit' the performance of the Corporate bond market has been adversely affected, and there are some uncertainties around both the valuation and future contribution rates that will be needed in respect of the Local Government Pension Scheme (LGPS). Academies have little influence over these factors, however the Nunthorpe Academy balance sheet is strong enough to 'carry' this increased liability and continue as a going concern.

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 in the academy to positively contribute towards a positive Progress 8 score of +0.2 or better
- 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)

Auditor

RSM UK Audit LLP have indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

In so far as the directors are aware:

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

Directors' report, incorporating a strategic report, was approved by order of the board of directors, as the company directors, on 5 December 2016 and signed on the board's behalf by:



B H Whitfield
Chairman

NUNTHORPE ACADEMY LIMITED

GOVERNANCE STATEMENT

Scope of responsibility

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

The board of directors 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 Trust and the Secretary of State for Education. They are also responsible for reporting to the board of directors 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 year. Attendance during the year at meetings of the board of directors was as follows:

Director	Meetings attended	Out of a possible
B H Whitfield (Chairman)	6	6
M Robinson	5	6
M Demoily (resigned 6 August 2016)	6	6
S Jones	6	6
K Ruddy	6	6
A Blacklock (staff director)	6	6
L McMann (staff director)	6	6
E Sadler (resigned 20 October 2015)	0	1
S Wheatley (resigned 21 May 2016)	3	3
T Wheatley (resigned 31 December 2015)	2	2
J Sutherland (resigned 8 February 2016)	2	2
L Brown (Principal and Accounting Officer)	6	6
C Beadle	0	0

Nunthorpe Academy assesses its' governance structure on an annual basis in order to ensure that it remains effective. This includes the consideration of the skills mix of its Governing Body and arranges training through either the local authority's Governor Support Service or external organisations, such as the National Governors Association (NGA). Training from both of these bodies was delivered during the period.

The Academy is moving towards multi academy status, and as part of this process has considered a restructuring of its governance arrangements. This would include a move to a three tier structure being a Members Board, a Board of Directors and a Local Governing Body structure. This would involve the recruitment of additional independent Members and Directors who would bring further skills to the academy as well as an increased level of independent scrutiny.

The Resources Development Committee is a sub-committee of the main board of directors. 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 (continued)

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
B H Whitfield	5	6
T Wheatley (resigned 31 December 2015)	1	2
M Robinson	5	6
M Demoily (resigned 6 August 2016)	6	6
S Jones	6	6
C Welford	5	6
L Brown (Principal and Accounting Officer)	6	6

Review of Value for Money

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

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

- Review of and restructure of a number of support staff roles (administration, finance and sixth form support) to ensure that the support provided to students and teaching staff is as effective as possible. Further staffing/structure reviews will be undertaken going forward.
- Introduction of an electronic purchase requisition system which has greatly streamlined the purchasing process throughout the academy. Improvements in the time between ordering of resources and receipt have been evidenced, along with a corresponding reduction in staff time/cost involved in this process.
- The Academy directly employs a Site management team who are able to use their combined carpentry, decorating experience etc. in order to internally manage most maintenance jobs. Work is completed to a high standard and is costed at a level considerably lower than using external contractors.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Nunthorpe Academy Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

NUNTHORPE ACADEMY LIMITED
GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

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

The board of directors 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 Risk Assurance Services LLP to undertake independent 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 checks have been fully delivered in line with the EFA's requirements.

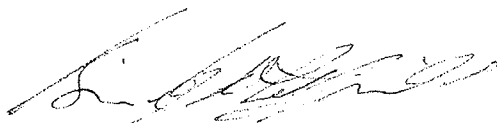
Review of Effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the RSM Risk Assurance Services LLP
- the work of the external auditor
- the financial management
- the work of the senior managers within the academy trust 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 ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 5 December 2016 and signed on its behalf by:



B H Whitfield
Chairman



L Brown
Accounting Officer

NUNTHORPE ACADEMY LIMITED

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



L Brown
Accounting Officer

5 December 2016

NUNTHORPE ACADEMY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who act as governors of Nunthorpe Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. 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 2015
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 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 Board of Governors on 5 December 2016 and signed on its behalf by:



Mr Brian H Whitfield
Chairman

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NUNTHORPE ACADEMY LIMITED
YEAR ENDED 31 AUGUST 2016**

We have audited the financial statements of Nunthorpe Academy Limited for the year ended 31 August 2016 on pages 17 to 40. 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 2015/16 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 14, the directors (who act as directors 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 2016 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 2015/16 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

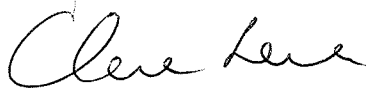
In our opinion the information given in the Directors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NUNTHORPE ACADEMY LIMITED
YEAR ENDED 31 AUGUST 2016**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Date 13/12/16

NUNTHORPE ACADEMY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2016

		Unrestricted Funds	Restricted General	Restricted Fixed Asset	Total 2016	Total 2015
	Note	£	£	£	£	£
Incoming and endowments from:						
Donations and capital grants	2	-	201,110	31,630	232,740	30,536
Charitable activities:						
-Funding for educational operations	3	-	8,076,916	-	8,076,916	7,589,983
Other trading activities	4	752,541	-	-	752,541	1,156,794
Investments	5	1,110	-	-	1,110	186
Total income and endowments		<u>753,651</u>	<u>8,278,026</u>	<u>31,630</u>	<u>9,063,307</u>	<u>8,777,499</u>
Expenditure on:						
Raising funds	6	265,451	-	-	265,451	971,407
Charitable activities						
-Educational operations	7	-	8,258,444	324,899	8,583,343	8,250,933
Total expenditure	6	<u>265,451</u>	<u>8,258,444</u>	<u>324,899</u>	<u>8,848,794</u>	<u>9,222,340</u>
Net income/(expenditure)		488,200	19,582	(293,269)	214,513	(444,841)
Transfers between funds	15	(193,595)	63,763	129,832	-	-
		<u>294,605</u>	<u>83,345</u>	<u>(163,437)</u>	<u>214,513</u>	<u>(444,841)</u>
Other recognised gains and losses						
Remeasurement of net defined benefit obligations	21	-	(1,374,000)	-	(1,374,000)	29,000
Net movement in funds		<u>294,605</u>	<u>(1,290,655)</u>	<u>(163,437)</u>	<u>(1,159,487)</u>	<u>(415,841)</u>
Reconciliation of funds						
Total funds brought forward		359,551	(730,000)	9,628,837	9,258,388	9,674,229
Total funds carried forward		<u>654,156</u>	<u>(2,020,655)</u>	<u>9,465,400</u>	<u>8,098,901</u>	<u>9,258,388</u>

NUNTHORPE ACADEMY LIMITED

(Company Number 08188507)

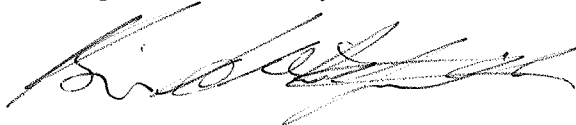
BALANCE SHEETS

AT 31 AUGUST 2016

		Group 2016	Company 2016	Group 2015	Company 2015
	Note	£	£	£	£
Fixed assets					
Tangible assets	11	9,465,400	9,465,400	9,599,001	9,599,001
Investments	25	-	1	-	1
		<u>9,465,400</u>	<u>9,465,401</u>	<u>9,599,001</u>	<u>9,599,002</u>
Current assets					
Debtors	12	267,529	238,742	91,615	105,212
Cash at bank and in hand		1,112,924	1,103,354	788,715	763,371
		<u>1,380,453</u>	<u>1,342,096</u>	<u>880,330</u>	<u>868,583</u>
Liabilities					
Creditors: amounts falling due within one year	13	(558,952)	(556,355)	(490,943)	(486,986)
		<u>821,501</u>	<u>785,741</u>	<u>389,387</u>	<u>381,597</u>
Net current assets					
		<u>821,501</u>	<u>785,741</u>	<u>389,387</u>	<u>381,597</u>
Net assets excluding pension liability		10,286,901	10,251,142	9,988,388	9,980,599
Defined pension liability	21	(2,188,000)	(2,188,000)	(730,000)	(730,000)
		<u>8,098,901</u>	<u>8,063,142</u>	<u>9,258,388</u>	<u>9,250,599</u>
Net assets		<u>8,098,901</u>	<u>8,063,142</u>	<u>9,258,388</u>	<u>9,250,599</u>
Funds of academy trust:					
Restricted funds					
- Restricted fixed asset funds	15	9,465,400	9,465,400	9,628,837	9,628,837
- Restricted general funds	15	167,345	167,345	-	-
- Pension reserve		(2,188,000)	(2,188,000)	(730,000)	(730,000)
		<u>7,444,745</u>	<u>7,444,745</u>	<u>8,898,837</u>	<u>8,898,837</u>
Total restricted funds		<u>7,444,745</u>	<u>7,444,745</u>	<u>8,898,837</u>	<u>8,898,837</u>
Unrestricted income funds	15	654,156	618,397	359,551	351,762
		<u>8,098,901</u>	<u>8,063,142</u>	<u>9,258,388</u>	<u>9,250,599</u>
Total funds		<u>8,098,901</u>	<u>8,063,142</u>	<u>9,258,388</u>	<u>9,250,599</u>

The financial statements on pages 17 to 40 were approved by the Directors and authorised for issue on 5 December 2016 and signed on their behalf by:

B H Whitfield
Chairman



NUNTHORPE ACADEMY LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash used in operating activities	18	<u>482,767</u>	<u>57,374</u>
Cash flows from investing activities			
Interest received		1,110	186
Capital grants from DfE		31,630	29,836
Payments to acquire tangible fixed assets		<u>(191,298)</u>	<u>(49,235)</u>
		<u>(158,558)</u>	<u>(19,213)</u>
Change in cash and cash equivalents in the reporting period		<u>324,209</u>	<u>38,161</u>
Cash and cash equivalents at beginning of the year		<u>788,715</u>	<u>750,554</u>
Cash and cash equivalents at end of the year		<u>1,112,924</u>	<u>788,715</u>

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1 ACCOUNTING POLICIES

Nunthorpe Academy Limited is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Directors' report.

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

Basis of Preparation

The financial statements of the academy have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Nunthorpe Academy Limited meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the financial currency of the Academy Trust. Monetary amounts in these financial statements are rounded to the nearest £1, except where otherwise indicated.

Transition to FRS 102

These financial statements are the first financial statements of Nunthorpe Academy Limited prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). The financial statements of Nunthorpe Academy Limited for the year ended 31 August 2015 were prepared in accordance with previous UK GAAP.

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 26.

Going Concern

The directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Consolidation

The group financial statements consolidate, on a line by line basis, those of the company and its subsidiary undertakings, Nunthorpe Learning and Leisure Limited and Nunthorpe Learning and Leisure 2015 Ltd, over which it exercises control. These financial statements are drawn up to 31 August 2016. Profits or losses on intra-group transactions are eliminated in full.

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1 ACCOUNTING POLICIES (continued)

Income

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

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

Other income

Other income including 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.

Interest receivable

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

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1 ACCOUNTING POLICIES (continued)

Charitable activities

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

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.

Tangible fixed assets and depreciation

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.

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	3 - 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.

Financial Instruments

The academy trust has chosen to adopt section 11 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Liabilities

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

Leased assets

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

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1 ACCOUNTING POLICIES (continued)

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'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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

Termination Benefits

Termination benefits to encourage employees to leave service voluntarily are recognised when employees accept the Academy trust's offer to those benefits. Termination benefits provided as a result of the Academy terminating employment are recognised when the Academy Trust has communicated its plan of termination to the affected employees.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 23.

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 2016

1 ACCOUNTING POLICIES (continued)

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.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

Reduced disclosures

In accordance with FRS 102, the Charity has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

2 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted funds	2016 Total	2015 Total
	£	£	£	£
Capital grants	-	222,740	222,740	29,836
Other donations	-	10,000	10,000	700
	<u>-</u>	<u>232,740</u>	<u>232,740</u>	<u>30,536</u>

The income from donations and capital grants was £232,740 (2015: £30,536) of which £nil (2015: £700) was unrestricted and £232,740 (2015: £29,836) was restricted.

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

3 FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
DfE/EFA REVENUE GRANTS				
General annual grant (GAG)	-	7,624,647	7,624,647	7,139,670
Other DfE/EFA grants		421,960	421,960	420,921
	-	8,046,607	8,046,607	7,560,591
OTHER GOVERNMENT GRANTS				
Local authority grants	-	30,309	30,309	29,392
	-	30,309	30,309	29,392
	-	8,076,916	8,076,916	7,589,983

The income from funding for educational operations was £8,076,916 (2015: £7,589,983) of which £8,076,916 was restricted (2015: £7,589,983).

Other DfE/EfA grants are made up of Pupil Premium, Summer School income and Year 7 catch up grant. Local Authority grants are made up of an inspire to learn fund reimbursement and individual pupil support. There are no unfulfilled conditions or contingencies for grants recognised in the period.

4 OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
School Fund	127,284	-	127,284	160,565
Tuition	157,504	-	157,504	123,066
Sixth Form	-	-	-	778,371
Contribution from Sixth Form Experience	353,114	-	353,114	-
Hire of facilities	22,121	-	22,121	21,389
Cost recharges	-	-	-	15,321
Other income	92,518	-	92,518	58,082
	752,541	-	752,541	1,156,794

The income from other trading activities was £752,541 (2015: £1,156,79) of which £752,541 (2015: £1,156,794) was unrestricted.

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

5 INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2016 Total £	2015 Total £
Short term deposits	1,110	-	1,110	186
	<u>1,110</u>	<u>-</u>	<u>1,110</u>	<u>186</u>

The income from funding for investment income was £1,110 (2015: £186) of which £1,110 (2015: £186) was unrestricted.

6 EXPENDITURE

	Staff Costs £	Premises costs £	Other £	2016 Total £	2015 Total £
Expenditure on raising funds	100,952	-	164,499	265,451	971,407
Academy's Educational Operations					
-Direct costs	5,001,413	324,899	588,815	5,915,127	5,463,040
-Allocated support costs	1,929,292	493,339	245,585	2,668,216	2,767,893
Total expenditure	<u>7,031,657</u>	<u>818,238</u>	<u>998,899</u>	<u>8,848,794</u>	<u>9,222,340</u>

The expenditure on raising funds was £265,451 (2015: £971,407) of which £265,451 (2015: £971,407) was unrestricted.

Net income/(expenditure) for the year includes:	2016 £	2015 £
Fees payable to auditor		
- Audit	14,100	14,100
- Other services	11,765	6,975
Operating lease rentals:	19,111	16,247
Depreciation of tangible fixed assets	324,898	333,110
Net interest on defined benefit pension liability	24,000	21,000
	<u>393,874</u>	<u>391,432</u>

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

7 CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Direct costs – educational operations	-	5,915,127	5,915,127	5,463,040
Support costs – educational operations	-	2,668,216	2,668,216	2,673,369
	-	8,583,343	8,583,343	8,136,409

The expenditure on educational operations was £8,583,343 (2015: £8,136,409) of which £8,583,343 (2015: £8,136,409) was restricted.

Analysis of Support Costs

	2016 £	2015 £
Support staff costs	1,929,292	1,954,382
Premises costs	493,339	612,390
Other support costs	200,111	181,597
Governance costs	45,474	39,524
	<u>2,668,216</u>	<u>2,787,893</u>

Analysis of Governance Costs

	2016 £	2015 £
Legal and professional fees	17,893	10,746
Auditors remuneration		
- Audit of financial statements	14,100	14,100
- Other services	11,765	6,975
Other governance costs	1,716	7,703
	<u>45,474</u>	<u>39,524</u>

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

8 STAFF COSTS

	2016	2015
	£	£
Staff costs during the period were:		
Wages and salaries	5,509,613	5,322,217
Social security costs	453,321	386,125
Pension costs	885,732	836,631
Total staff costs	<u>6,848,666</u>	<u>6,544,973</u>
Supply staff costs	145,271	113,754
Restructuring costs	8,805	-
Staff development and other staff costs	28,915	24,750
	<u><u>7,031,657</u></u>	<u><u>6,683,477</u></u>

Staff numbers

The average number of persons employed by the Academy during the year ended 31 August 2016 was as follows:

	2016	2015
	Number	Number
Teachers	109	102
Administration and support	93	85
Management	4	4
	<u><u>206</u></u>	<u><u>191</u></u>

Higher paid staff

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

	2016	2015
	No.	No.
£60,001 - £70,000	3	3
£70,001 - £80,000	-	-
£80,001 - £90,000	-	1
£90,001 - £100,000	<u><u>1</u></u>	<u><u>-</u></u>

Key management personnel

The key management personnel of the Academy comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Academy Trust was £365,446 (2015: £348,799).

Severance payments

Included in staff restructuring costs are non-contractual severance payments totalling £8,805 (2015: £nil). Individually, the payments were £8,805.

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

9 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 £91,187 (2015: £88,102). The Principal is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £15,028 (2015: £12,422).

The annual amount of other staff directors' remuneration, excluding employer pension contributions, was £61,047 (2015: £57,006). The staff directors are accruing retirement benefits under the Local Government Pension Scheme and contributions paid in the year amounted to £8,814 (2015: £8,492). During the year ended 31 August 2016, travel and subsistence expenses totalling £nil (2015: £nil) were reimbursed to Directors.

Related party transactions involving the directors are set out in note 22.

10 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 2016 was £313 (2015: £540). The cost of this insurance is included in the total insurance cost.

11 TANGIBLE FIXED ASSETS

Group and Company	Freehold properties £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 September 2015	10,015,000	493,604	14,110	10,522,714
Additions	-	191,298	-	191,298
At 31 August 2016	<u>10,015,000</u>	<u>684,902</u>	<u>14,110</u>	<u>10,714,012</u>
Depreciation				
At 1 September 2015	582,167	337,346	4,200	923,713
Charge in period	<u>199,600</u>	<u>123,283</u>	<u>2,015</u>	<u>324,898</u>
At 31 August 2016	<u>781,767</u>	<u>460,629</u>	<u>6,215</u>	<u>1,248,611</u>
Net book value				
At 31 August 2016	<u>9,233,233</u>	<u>224,273</u>	<u>7,895</u>	<u>9,465,400</u>
At 31 August 2015	<u>9,432,833</u>	<u>156,258</u>	<u>9,910</u>	<u>9,599,001</u>

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

12 DEBTORS

	Group	Company	Group	Company
	2016	2016	2015	2015
	£	£	£	£
Trade debtors	37,077	37,077	11,533	11,533
Prepayments and accrued income	70,092	70,092	39,791	39,791
VAT recoverable	107,239	107,239	39,888	39,888
Amounts due from group undertakings	-	14,000	-	14,000
Other debtors	53,121	10,334	403	-
	<u>267,529</u>	<u>238,742</u>	<u>91,615</u>	<u>105,212</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	Group	Company
	2016	2016	2015	2015
	£	£	£	£
Trade creditors	254,150	252,233	202,566	201,212
Accruals and deferred income	51,498	51,498	78,220	76,500
Other taxation and social security	135,164	134,649	113,780	113,249
Other creditors	118,140	117,975	96,377	96,025
	<u>558,952</u>	<u>556,355</u>	<u>490,943</u>	<u>486,986</u>

14 FINANCIAL INSTRUMENTS

	2016	2015
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,203,122	800,651
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Financial Liabilities measured at amortised cost	423,788	510,943
	<u> </u>	<u> </u>

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15 FUNDS - CONSOLIDATED

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted General Fund					
General Annual Grant (GAG)	-	7,624,647	(7,688,410)	63,763	-
Other DfE/EFA grants	-	421,960	(421,960)	-	-
Other government grants	-	30,309	(30,309)	-	-
Other restricted income	-	201,110	(33,765)	-	167,345
Funds excluding pensions	-	8,278,026	(8,174,444)	63,763	167,345
Pension reserve	(730,000)	-	(84,000)	(1,374,000)	(2,188,000)
Restricted General Funds	(730,000)	8,278,026	(8,258,444)	(1,310,237)	(2,020,655)
Restricted fixed asset funds					
Inherited funds	9,401,658	-	(285,117)	-	9,116,541
DfE / EFA capital grants	29,836	31,630	-	-	61,466
Capital expenditure from unrestricted funds	197,343	-	(39,782)	129,832	287,393
Restricted Fixed Asset Fund	9,628,837	31,630	(324,899)	129,832	9,465,400
Total restricted funds	8,898,837	8,309,656	(8,583,343)	(1,180,405)	7,444,745
Unrestricted funds					
General Fund	359,551	753,651	(265,451)	(193,595)	654,156
Total funds	9,258,388	9,063,307	(8,848,794)	(1,374,000)	8,098,901

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 2016.

Other DfE / EFA grants

Other DfE/ EFA grants relate to Summer School income, Year 7 catch up grant and Pupil Premium income which were all received and fully utilised in the year.

Other Government grants

Other government grants relate to inspire to learn reimbursement and individual pupil support. Income received is fully utilised in the year.

Other restricted income

Other restricted income is in relation to CIF funding received for the hardwire build. Funds are expected to be utilised within twelve months.

Pension reserve

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.

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15 FUNDS – CONSOLIDATED (continued)

Inherited funds

This represents 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/EFA Capital grants

Capital funding has been received from the DfE for utilisation on building improvements and refurbishments. Where expenditure is capitalised, depreciation will be charged to the fund over the life of the related assets.

Capital expenditure from unrestricted funds

Capital projects funded with unrestricted funds. Depreciation will be charged to the fund over the life of the assets.

Unrestricted funds

General funds can be used for any purpose, at the discretion of the directors, within the objects of the Academy.

Transfers

Transfers between funds represent amounts financed from unrestricted reserves.

FUNDS - COMPANY

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted General Fund					
General Annual Grant (GAG)	-	7,624,647	(7,688,410)	63,763	-
Other DfE/EFA grants	-	421,960	(421,960)	-	-
Other government grants	-	30,309	(30,309)	-	-
Other restricted income	-	201,110	(33,765)	-	167,345
	<u>-</u>	<u>8,278,026</u>	<u>(8,174,444)</u>	<u>63,763</u>	<u>167,345</u>
Funds excluding pensions	-	8,278,026	(8,174,444)	63,763	167,345
Pension reserve	(730,000)	-	(84,000)	(1,374,000)	(2,188,000)
Restricted General Funds	<u>(730,000)</u>	<u>8,278,026</u>	<u>(8,258,444)</u>	<u>(1,310,237)</u>	<u>(2,020,655)</u>
Restricted fixed asset funds					
Inherited funds	9,401,658	-	(285,117)	-	9,116,541
DfE / EFA capital grants	29,836	31,630	-	-	61,466
Capital expenditure from unrestricted funds	197,343	-	(39,782)	129,832	287,393
	<u>9,628,837</u>	<u>31,630</u>	<u>(324,899)</u>	<u>129,832</u>	<u>9,465,400</u>
Restricted Fixed Asset Fund	<u>9,628,837</u>	<u>31,630</u>	<u>(324,899)</u>	<u>129,832</u>	<u>9,465,400</u>
Total restricted funds	<u>8,898,837</u>	<u>8,309,656</u>	<u>(8,583,343)</u>	<u>(1,180,405)</u>	<u>7,444,745</u>
Unrestricted funds					
General Fund	351,762	603,844	(143,614)	(193,595)	618,397
Total funds	<u>9,250,599</u>	<u>8,913,500</u>	<u>(8,726,957)</u>	<u>(1,374,000)</u>	<u>8,063,142</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 surplus for the year before gains and losses was £186,543 (2015: £390,919 deficit).

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS GROUP

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted General Fund	Restricted Fixed Asset Fund	Total 2016	Total 2015
	£	£	£	£	£
Tangible fixed assets	-	-	9,465,400	9,465,400	9,599,001
Current assets	654,156	726,297	-	1,380,453	880,330
Creditors falling due within one year	-	(558,952)	-	(558,952)	(490,943)
Pension liability	-	(2,188,000)	-	(2,188,000)	(730,000)
Total net assets	654,156	(2,020,655)	9,465,400	8,098,901	9,258,388

17 COMMITMENTS UNDER OPERATING LEASES

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

	2016 £	2015 £
Amounts due within one year	14,336	19,111
Amounts due between one and five years	7,484	21,468
Amounts due after five years	-	352
	<u>21,820</u>	<u>40,931</u>

Operating leases relate to printer and vending machine leases.

18 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net incoming/(outgoing) resources	214,513	(444,841)
Adjusted for:		
Depreciation of tangible fixed assets	324,899	333,310
Interest receivable	(1,110)	(186)
Defined benefit pension scheme costs less contributions payable	60,000	71,000
Defined benefit pension scheme finance cost/(income)	24,000	21,000
(Increase)/Decrease in debtors	(175,914)	45,285
Increase in creditors	68,009	61,642
Capital grants from DfE / EFA and other capital income	(31,630)	(29,836)
	<u>482,767</u>	<u>57,374</u>

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

19 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.

20 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.

21 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 multi-employer defined-benefit schemes.

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

Contributions amounting to £108,333 (2015: £95,396) were payable to the scheme, at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' 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:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

21 PENSIONS AND SIMILAR OBLIGATIONS (continued)

- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the 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 £636,732 (2015 £521,438).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

The TPS is a multi-employer pension scheme and there is insufficient information to account for the scheme as a defined benefit scheme so it is accounted for as a defined contribution scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate director-administered funds. The agreed contribution rates for future years are 14.6% for employers and 5.5-12.5% for employees.

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

Total contributions made	2016 £	2015 £
Employer's contributions	189,000	182,000
Employees' contributions	82,000	79,000
Total contributions	<u>271,000</u>	<u>261,000</u>

Principal actuarial assumptions

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

	2016 Years	2015 Years
Retiring today:		
Males	23.1	23.0
Females	25.6	25.5
Retiring in 20 years:		
Males	25.3	25.5
Females	28.0	27.8

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

21 PENSIONS AND SIMILAR OBLIGATIONS (continued)

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

	Fair value 2016 £	Fair value 2015 £
Equities	2,504,408	1,970,262
Property	214,328	148,428
Government bonds	23,488	40,698
Corporate bonds	23,488	38,304
Cash	170,288	153,216
Other	-	43,092
Total market value of assets	<u>2,936,000</u>	<u>2,394,000</u>
Actual return on scheme assets	<u>397,000</u>	<u>(28,000)</u>

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost	60,000	71,000
Net interest cost	24,000	21,000
	<u>84,000</u>	<u>92,000</u>

Changes in the present value of defined benefit obligations

	2016 £
At 1 September 2015	3,124,000
Current service cost	249,000
Interest cost	118,000
Employee contributions	82,000
Net benefits paid out	(126,000)
Actuarial loss	1,677,000
At 31 August 2016	<u>5,124,000</u>

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

21 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Changes in the fair value of Academy's share of scheme assets:	2016 £
At 1 September 2015	2,394,000
Return on assets	94,000
Actuarial gain	303,000
Employer contributions	189,000
Employee contributions	82,000
Net benefits paid out	(126,000)
	<hr/>
At 31 August 2016	2,936,000
	<hr/>

22 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 (2015: £2,400) was incurred with Alpha Graphics, a company which Stephen Jones, a director of Nunthorpe Academy Limited, is an employee of. Balances outstanding at the year-end totalled £nil (2015: £nil).

No further related party transactions took place in the year, other than certain directors' remuneration and expenses already disclosed in Note 9.

23 AGENCY ARRANGEMENTS

The Academy distributes 16-19 Bursary Funds to students as an agent for the EFA. In the year the Academy received £11,348 and disbursed £2,049 from the fund. At the end of the year the Academy holds £9,299 in Creditors, repayable to the EFA.

24 THE SIXTH FORM EXPERIENCE

The Academy previously had a memorandum of understanding with Hillview Academy (previously Eston Park Academy and Gillbrook Academy) to work together to provide a sixth form. Each academy received funding directly from the EFA and this was transferred to the Sixth Form Experience. This agreement ended 31 August 2015. Nunthorpe Academy Limited transferred £nil to the Sixth Form Experience during the year to 31 August 2016 (2015: £665,104) and received income of £nil (2015: £775,650) from the Sixth Form Experience for agreed recharges relating to staff costs of £nil (2015: £690,651) and facilities management of £nil (2015: £85,000). Upon ending the agreement contributions of £353,114 (2015: £nil) were received from the Sixth Form Experience.

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

25 INVESTMENTS

Subsidiary undertakings

	2016	2015
	£	£
Cost of investment	<u>1</u>	<u>1</u>

The above relates to an investment of 100% of the ordinary share capital in the following unlisted companies, which are registered in England.

Company Name	Activity
Nunthorpe Learning and Leisure Limited (Company No. 08232394)	Dormant
Nunthorpe Learning and Leisure 2015 Ltd (Company No. 09677132)	Educational Services to wider community

The wholly owned subsidiaries pay all of their profits to the Academy via a gift aid payment. A summary of the trading results for the companies is shown below.

Nunthorpe Learning and Leisure Limited

	2016	2015
	£	£
Turnover and other income	-	122,942
Cost of sales and administration costs	<u>(67)</u>	<u>(115,152)</u>
Operating (loss) / profit	<u>(67)</u>	<u>7,790</u>

The assets and liabilities were:

Total assets	14,026	25,748
Total liabilities	<u>(14,000)</u>	<u>(17,957)</u>
Total net assets	<u>26</u>	<u>7,791</u>
Aggregate share capital and reserves	<u>26</u>	<u>7,791</u>

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

25 INVESTMENTS (continued)

Nunthorpe Learning and Leisure 2015 Ltd

	2016 £
Turnover and other income	157,504
Cost of sales and administration costs	<u>(121,770)</u>
Operating profit	<u>35,734</u>
 The assets and liabilities were:	
Total assets	48,832
Total liabilities	<u>(13,098)</u>
Total net assets	<u>35,734</u>
Aggregate share capital and reserves	<u>35,734</u>

26 RECONCILIATION ON ADOPTION OF FRS102

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

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Directors have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

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

Reconciliation of total funds	Notes	1 September 2014 £000	31 August 2015 £000
Total funds under previous UK GAAP		9,966,804	9,674,229
Change in recognition of LGPS	A	-	-
Total funds reported under FRS 102		<u>9,966,804</u>	<u>9,674,229</u>

NUNTHORPE ACADEMY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

26 RECONCILIATION ON ADOPTION OF FRS102 (continued)

	Notes	31 August 2015 £000
Reconciliation of net expenditure		
Net expenditure previously reported under UK GAAP		(369,841)
Change in recognition of LGPS	A	(75,000)
Net movement in funds reported under FRS 102		<u>(444,841)</u>

A – Change in recognition of LGPS

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS 102 a net expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expenditure by £75,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

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 2015/16, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Nunthorpe Academy Limited during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Nunthorpe Academy Limited and the EFA in accordance with the terms of our engagement letter dated 22 September 2015. 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2015/16. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies: Accounts Direction 2015/16 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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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13/12/16