



The North Halifax Grammar School Academy Trust

**For accounting period ended
31 August 2016**

**(A Company Limited by Guarantee)
Annual Report and Financial Statements**

**Company Registration Number:
07628903 (England and Wales)**

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Reference and Administrative Details

Members	K Floyd R Hartley R Unsworth (resigned 03.05.16) K Beverley (appointment 30.09.15) M Carrigan M Pitts (appointed 18.05.16)
Trustees	K Floyd (Chair) (reappointed 18.05.16) - Trustee R Hartley – Parent Trustee R Unsworth (resigned 03.05.16) – Parent Trustee M Carrigan – LA Trustee K Beverley (reappointed 30.09.15) - Trustee A Fisher (Principal and Accounting Officer) Trustee K Cannon (resigned 30.04.16) - Trustee A Prathivadi Bhayankaram - Trustee D Whittington – Parent Trustee S Adams – Staff Trustee V Harrison-Law – Staff Trustee (appointed 01.09.15) C Livingstone – Co-opted Trustee (resigned 31.08.16) M Pitts – Co-opted Trustee A Cade – Co-opted Trustee (appointed 29.06.16) S Taylor – Trustee (appointed 01.09.15; resigned 31.08.16) R Hey – Trustee (resigned 30.09.15)
Company Secretary	E Casson
Senior Management Team:	
• Principal	A Fisher
• Vice Principal	P Jervis
• Vice Principal	R Haworth
• Vice Principal	D Wood
• Vice Principal	C Tomlin
• Academy Finance Director	E Casson
• Academy Systems Manager	C Varley

Company Name	The North Halifax Grammar School Academy Trust
Principal and Registered Office	Moorbottom Road Illingworth Halifax HX2 9SU
Independent Auditor	Lambert Roper & Horsfield Limited 12-14 Union Street South Halifax West Yorkshire HX1 2LE
Bankers	Lloyds Bank Commercial Street Halifax HX1 1BB
Solicitors	Irwin Mitchell LLP Wellington Place Leeds LS1 4BZ

Trustees' Report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31st August 2016. The annual report serves the purposes of both a Trustee's report and a Director's report under company law.

The Trust operates an academy for pupils aged 11 to 18 serving a catchment area across several different local authorities in its capacity as a grammar school.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of The North Halifax Grammar School Academy Trust are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The North Halifax Grammar School Academy Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect all governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides up to £5,000,000 on any one claim.

Method of Recruitment and Appointment or Election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to the Principal who is entitled to be a Trustee for as long as he or she is Principal. Subject to remaining eligible to be a particular type of Trustee, any Director may be re-appointed or re-elected. The Trustees who were in office at 31st August 2016 and who served during the period are listed on page 3.

New Trustees are recruited in accordance with the procedures outlined in the Articles of Association. The Members may appoint up to eight Trustees plus an additional two staff Trustees. The Local Authority may appoint one Trustee and parents of current students may elect two Parent Trustees. Additionally, up to three co-opted Trustees may be appointed. Each new Trustee is recruited following an application and interview process to ensure their suitability and the transparency of the process.

Parent Trustees are elected by the parents at the academy as individuals who are representative of the parental body.

The North Halifax Grammar School

Trustees' Report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The Vice Chair of Governors is responsible for overseeing the induction of Trustees. The training and induction provided for all new Trustees is dependent on their existing experience. Where necessary, induction will include a meeting with the Clerk to the Governing Board and presentation of an Induction Pack which contains key documentation such as accounts, budgets and policies and other documentation they need to undertake their role as a Trustee. Induction training is made available on educational, legal and financial matters through courses provided by the Local Authority or other external agencies. All new Trustees are given the opportunity of a tour of the Academy.

Ongoing training is provided throughout the year for all Trustees on specific topics and updates and all Trustees also attend an annual Training Day held at the Academy.

Organisational Structure

The management structure of the Academy consists of the Trustees and the Leadership Group. The Principal of the Academy is the Accounting Officer. The aim of the management structure is to devolve responsibility where appropriate and encourage involvement in decision making at all levels.

The Trustees are responsible for setting the strategic vision and direction of the Academy. This is achieved by taking account of the changing educational landscape both nationally and locally, the educational aspirations of the staff and students and the constraints of current resources. These responsibilities are applied through the determination of Academy vision, the adoption and challenge of a Quality Improvement Plan (which is reviewed annually), the agreement and monitoring of an annual budget and key financial information, the approval of key areas of capital expenditure and the appointment of senior staff.

The Leadership Group manages the Academy on an operational level, implementing the policies and actions approved by the Trustees and reporting back to them. The Leadership Group is also responsible for delivering the areas of improvement identified in the Quality Improvement Plan.

From 1st September 2015 to 31st August 2016 the Leadership Group comprised of the Principal, four Vice Principals, the Academy Systems Manager and the Academy Finance Director. During the academic year 2015/2016 Trustees instructed that a follow-up review of the Senior Leadership Group and Middle Leadership be undertaken. This resulted in the temporary addition of an Associate Vice Principal for a tenure of 12 months from 1st September 2016. An Associate Vice Principal was therefore appointed during the summer term of 2016 and commenced employment in this capacity on 1 September 2016.

Management is also provided throughout the Academy by Heads of Departments and Year Group Leaders. These groups of staff are responsible for curriculum development, attainment, achievement and the pastoral welfare of students.

Arrangements for setting pay and remuneration of key management personnel

The Trustees are committed to taking decisions in accordance with the 'key principles of public life': objectivity, openness and accountability, recognising the requirement for a fair and transparent policy to determine the pay and grading for all staff employed in the Academy, which takes account of the conditions of service under which staff are employed and relevant statutory requirements.

The Trustees recognise their responsibilities under relevant legislation including the Equality Act 2010 and ensure that all pay related decisions are taken equitably and fairly in compliance with statutory requirements.

The Trustees assign a seven point Individual School Range (ISR) based on the school group size, as determined by the School Teachers' Pay and Conditions document and ensure that there is no overlap of salary bands between the Principal and other leadership posts.

Progression on the ISR for the Principal will be subject to a review of the Principal's performance set against the annual appraisal targets. The Principal's annual Appraisal is carried out by a small group of Trustees who are advised by an external consultant.

The Trustees may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the Trustees may decide that there should be no pay progression.

The Trustees will ensure that reasons for setting the ISR at a given level are recorded and that the process for the determination of the Principal's salary is fair and transparent.

The Trustees will determine a pay range for all other members of the Leadership Group, either from within the leadership range contained in the School Teachers' Pay and Conditions document or from appropriate NJC scale ranges.

The pay range for the Leadership Group will be reviewed by 31st October or at any time during the year where there is a significant permanent change in the duties and responsibilities of the post, or where it is necessary to consider a retention payment for a member of staff on the leadership spine.

Progress on the pay range for a member of staff paid on the leadership scale will be subject to a review of their performance set against annual appraisal targets. The Trustees may decide to award one increment for sustained high quality performance or two increments where performance has been exceptional. Where performance has not been of a sustained high quality the Trustees may decide that there should be no pay progression.

Related Parties and other Connected Charities and Organisations

The Academy is a member of the following organisations:

- The North Halifax Federation - a soft federation established to review and discuss issues affecting those educational establishments within the North Halifax geographical area. This group meets on a termly basis for the sharing of good practice and support.
- The Calderdale Association of Secondary Heads (CASH) - a group of local Headteachers established to discuss issues and the impact upon local schools.
- The Mosaic Schools Direct Teacher Training - a local alliance of eight schools based in Halifax and Huddersfield working with Leeds University to provide a high quality and enjoyable ITT experience for aspiring teachers.
- The Trinity Teaching School Alliance (TSA) – an alliance of local schools taking School Direct trainee teachers.
- Calderdale Secondary School Improvement Cluster (CSSIC) - a peer group of schools established to facilitate improvement through peer review and collective discussions.
- Grammar School Heads' Association (GSHA) – group of Headteachers to discuss issues as they arise and in particular the impact of these on Grammar schools.

Membership of the above networks does not have either an influence nor an impact on the operating policies of the Academy Trust.

The Academy also purchases services from the Local Authority, Calderdale MBC under normal business arrangements.

Objectives and Activities

Objects and Aims

The principal object and activity of the charitable company is the operation of The North Halifax Grammar School Academy Trust, to provide education for students of above average intellect between the ages of 11 and 18.

The Academy's motto "Living to Learn | Learning to Live" encapsulates the Academy's purpose.

Objectives, Strategies and Activities

The Academy's main strategy is to raise standards of achievement and progress through a focus on continuous improvement in all aspects of the organisation. The core purpose of the Academy is teaching and learning. The staff and resources are continuously measured by their contribution to the overall quality of teaching and learning and therefore the standards achieved by its students.

The Academy's Quality Improvement Plan is reviewed termly by Directors. For 2015/16 the following areas and activities were prioritised:

Doing More with Less

- Find ways to raise income and cut costs
- Working smarter not harder
- Eliminating waste and achieving best value for money
- Continued development of the Academy estate through the completion of capital projects

Quality of Teaching and Learning

- Differentiation
- Assessment without levels
- Intervention strategies and raising boys' achievement
- Innovation in ICT
- IRIS and its development
- Teaching higher order essay writing and analytical skills

Personal Development, Behaviour and Welfare

- Behaviour for Learning (BfL) (review the implementation and impact of revised system)
- Health and well-being
- Equality and diversity

Leadership and Management (Governors)

- Improve communication to all stakeholders and the wider community
- Add value by developing links and partnerships and by bringing in new and innovative ideas to influence and guide the work of others

Public Benefit

The Trustees have considered the Charity Commission's guidance on public benefit and in particular its supplementary public benefit guidance on advancing education. The key public benefit delivered by the Academy is the provision of a high quality education to its students. During the period under review the Academy had 1,125 students on roll during the academic year 2015/16.

The Academy provides education to young people aged 11 to 18 that:

- is broad and balanced;
- includes the study of English, Mathematics and Science for all students from 11 to 16;
- includes the teaching of RE according to an agreed syllabus;
- promotes the personal, spiritual, moral, social, cultural, intellectual and physical development of students at the school;
- engenders in students the capacity for lifelong learning which requires the development of skills, the acquisition of knowledge and improved understanding;
- develops students who are lively, critical, independent, curious and creative;
- produces well-rounded, young adults with an enlightened set of attitudes and values including an appreciation of sustainability, who respect others and accept responsibility; and
- prepares students at the Academy for the opportunities, responsibilities and experiences of later life which include citizenship and employment.

The Academy is a co-educational selective school serving the whole of Calderdale and beyond. It is compliant with the current statutory arrangements laid down in the national Admissions Code (revised December 2014).

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Trustees' Report (continued)

Strategic Report

Achievements and Performance

Key Performance Indicators

An important requirement for academies is to ensure a high level of student attendance. In 2015/16 attendance in Year 7-11 was 96.8% and in Years 12-13 it was 95.4%.

The Quality Improvement Plan (QIP) for 2014-2017

The Trustees and Directors approved a three year QIP in 2014. Committees monitor the progress against objectives within the various sections of the QIP. The Principal reports annually to the Trustees and Directors in the Autumn term on progress against objectives.

<p>Teaching and Learning</p>	<p>Teaching and Learning is the core function of the Academy. During 2015/16 whole School CPD focussed on differentiation and the introduction of key 'non-negotiables' for teaching and learning within the classroom. These have provided a clear framework in which consistently good and outstanding learning is delivered. The non-negotiables have enabled a greater consistency in approach whilst still allowing for differing teaching styles.</p> <p>Differentiation within the classroom has continued to be an area of focus and the sharing of examples and best practice within the Academy has resulted in increased levels of challenge and support for all students and within all subject areas.</p> <p>The Academy assessed the quality of teaching and learning in 2015/16 as Good. Clear strengths of the teaching at the Academy include the excellent subject knowledge of the staff, the use of a wide range of teaching and learning strategies to promote engagement and excellent behaviour and relationships.</p>
<p>Achievement and Progress</p>	<p>The GCSE results for 2015/16 were similar to the the previous year's results with 99% of students achieving at least 5 A*-C grades (including English and Maths). The Academy's Progress 8 score was average in relation to national scores. Subject specific intervention was revised and differentiated support was provided to students at all levels to underpin their learning.</p> <p>In the year 2015/16 the Academy achieved an A level pass rate of 98.7%. 98% of students progressed to destinations of their own choice in Education or Employment with training. The average point score per student for A level courses only was 284.</p> <p>The Academy uses the Advanced Level Performance Systems (ALPs) to measure value added. The main Alps indicators for A level were Level 3 or better, indicating outstanding student achievement. The Level 3 Achievement Tracker score for A level was above average.</p>

<p>Behaviour and Safety</p>	<p>The Behaviour For Learning (BFL) system for rewarding and sanctioning students was revised in 2014/15 for a reintroduction in September 2015. The new system enables staff to exercise their professional judgement within a defined framework of support and rewards for the students. The system provides timely feedback to parents through electronic messages and encourages students to take ownership of their rewards and certificates of merit.</p> <p>The wellbeing and safety of students continued to be a priority for the Academy and training has been provided to all staff about positive mental health and the impact this can have. The Academy has increased its staff resources to provide more support to students and this continues to be a priority area.</p> <p>An external review of the Academy's pastoral provision in March 2016 concluded that the Academy's pastoral care for its students is 'excellent'.</p>
<p>Leadership and Management</p>	<p>2015/16 was the first year of the revised Leadership Group (LG) in response to the review undertaken in 2014/2015. This saw a team of the Principal, four Vice Principals, the Academy Systems Manager and the Academy Finance Director.</p> <p>An external review of Leadership and Management was undertaken in January 2016 which showed clear evidence of improvements in leadership and management since the reports of 2013/14. A second visit by the CSSIC in February 2016 also provided further external assurance of these improvements.</p> <p>However, the capacity of the LG remained an issue and therefore it was decided to offer the post of Associate Vice Principal for one year starting September 2016. This role has been appointed, which has enabled responsibilities to be redistributed throughout the team and therefore create additional leadership and management capacity.</p>
<p>The Academy Estate</p>	<p>The Academy was successful in receiving Condition Improvement Funding (CIF) for a further two projects; one for an expansion of classrooms and a Sports Hall and one for the continued replacement of windows and roofs.</p> <p>Both of these projects started in 2015/16, as did the Life Safety Project and the first project for the replacement of roofs and windows was completed. All of these projects will see an investment of £5.9m in the Academy's estate over a two year period.</p> <p>Two further bids for the December 2016 CIF bidding round are being prepared, one for the further renewal of defective roofs and the installation of water tanks in the Science rooms and one for the addition of a two classroom extension in order to accommodate the increase in PAN from September 2017.</p>

Financial Key Performance Indicators

The Academy reviews its financial performance through monthly management accounts, discussion and challenge at Leadership Group meetings and discussion and challenge at the Resources Committee. For the financial year 2015/16 the Academy has performed as expected against the following performance indicators:

	<u>2015/16</u>	<u>2014/15</u> (restated)
Staff costs as a percentage of GAG:	89.6%	83.5%
In-house catering outturn deficit (excluding redundancy costs)	£17k	£11k
Level of General Fund and Unrestricted Reserves carried forward	£1.041m	£0.989m

Academy Performance Indicators

As well as performing against the objectives in the QIP the Trust is responsible for the academic attainment of students particularly at Year 11 (GCSE) and Year 13 (A Level). The students at the Trust continue to achieve significantly better than the national average.

GCSE	2013	2014	2015	2016
Number of Students in Year 11	158	156	154	154
Number of Entries	1898	1944	1780	1545
Percentage of Students achieving 5+A*-C grades	99.4	98.1	100	98.7
Percentage of Students achieving 5+A*-C grades (incl. English & Maths)	97.5	91.7	98.7	98.7
Percentage of Students achieving 5+A*-A grades	65.8	55.8	64.4	57.7
Percentage of Students achieving the English Baccalaureate	79.1	71.8	84.4	67.5
Average Points Score Per Student (uncapped)	591	556.01	574.33	491.68
Average Points Score Per Student (capped)	409	404.02	409.4	400.8
Average Points per Entry	51.14	48.31	49.19	48.85
Percentage of Students making expected progress in English	92.3	81.4	87.0	93.5
Percentage of Students making expected progress in Maths	87.9	84.6	98.0	96.1
Progress 8 Score			+0.37	-0.02
A Level				
Number of Students	175	162	177	163
Number of Entries	494	511	544	474
Average Points per Student	733.2	868.43	866.61	767.41* 110.93*

Average Points per Entry	230.4	233.5	228.26	271.51* 33.24*
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*The calculation of these figures changed during 2015/16 and therefore the top figures are those directly comparable with prior years and the bottom figures are those calculated the new way.

Student Outcomes

82.3% of students in Year 13 went on to study 123 different courses at 67 different Universities around the UK. 20% of students have gone on to study at Russell Group Universities including one student at Oxford and one at Cambridge. 7.5% of students went into employment with training.

Going Concern

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

Financial Review

Financial report for the year under review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the 12 months ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

The Academy also receives grants for fixed assets and capital projects from the EFA. In accordance with the Charities Statement of Recommended Practice (SORP) 2015, such grants are shown in the SOFA as income from donations and capital grants in the Restricted Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period under review the Academy received income of £8.72m (2015: £6.71m). Of this sum 58% (2015: 77%) was received from the EFA in respect of its General Annual Grant, used for its day to day running costs. Other income includes that received towards the provision of trips and visits and catering income. This is a significant level of income but it is matched by corresponding levels of expenditure. Other income is also received in the form of donations and grants received for the purpose of funding fixed assets and in 2015/16 this accounted for 31% (2015: 10%) of total income. During the period ended 31 August 2016, the surplus of income over expenditure, excluding the Restricted Fixed Asset Fund, was £13,000 (2015: £295,000) (before the actuarial gains on the defined benefit pension schemes).

At 31 August 2016 the net book value of fixed assets was £7.56m (2015: £6.33m) as shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

The Academy's non-teaching staff are entitled to membership of the West Yorkshire Pension Fund. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £1.685m (2015: £0.61m).

Reserves Policy

The Trustees review the reserve levels of the Academy annually and as part of its ongoing short and long term budget planning. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees are aware of the need to build the level of reserves to provide sufficient working capital to cover delays between spending and the receipt of grants, and to provide a cushion to deal with unexpected emergencies such as urgent maintenance and to cover one month of salary expenditure.

The Academy's current level of Restricted General Funds, excluding the Pension Reserve, is £932,000 (2015: restated £920,000) and the Academy's current level of free reserves, being Unrestricted Funds less Designated Funds is £83,000 (2015: £43,000). The Designated Fund has been set up for the future redevelopment of the buildings and is £26,000 (2015: £26,000).

Free reserves are the resources the Academy has or can make available to spend for any or all of the Academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically free reserves represent income to the Academy which is to be spent at the Trustees' discretion in furtherance of any of the Academy's objectives but which is not yet spent, committed or designated.

The Trustees have determined that the minimum level of free reserves is £0.5m and all short to medium financial planning is built upon retaining this level as a minimum.

The reduction in Government funding and the increase in statutory expenditure is requiring short term budget deficits to be funded through the use of these reserves. The use of these reserves for this purpose has been agreed by the Trustees.

The Pension Reserve is still showing a deficit and this has increased significantly during the year from £0.61m to £1.685m at 31 August 2016. Should this liability materialise upon the closure of the Academy, the outstanding liabilities would be met by the Department for Education.

The Academy's cash reserves at 31 August 2016 are £3.58m (2015: £1.81m). These have accumulated as a result of capital grant funding being received before the projects have started to incur matching levels of expenditure.

In the next year, the Academy will continue to make significant adaptations to the main buildings to ensure the continued life safety of all its occupants; to build new classrooms and a Sports Hall, and to continue to replace defective windows and roofs. This work is being funded by the CIF grant and the projects are valued at just under £6m.

In the medium term further adaptations will be required as the number of students increases from 2017/18 and therefore future bids are being submitted for further projects.

The Academy's main purpose is to provide a successful secondary education and a specialist education in Science. The level of reserves has been judged to be appropriate to ensure that key facilities are maintained to the highest level of access and use in order to achieve these goals.

Investment Policy

The Academy has continued its policy of seeking to maximise returns from its investments, minimise risk and maintain flexibility and access to funds. The Trustees have resolved to invest funds in High Interest Deposit Accounts for medium to longer term investments and to invest monthly in a Treasury Deposit account where appropriate. This will generate a return on any surplus cash balances whilst balancing any risks to the Academy's resources. The investments in the High Interest Deposit account generated £9k of interest for the Academy during 2015/2016.

Principal Risks and Uncertainties

The primary source of funding for the Academy is Government grant through the EFA and a key element of this funding is determined by student numbers and the locally determined Age Weighted Pupil Unit (AWPU). National and local priorities are putting a lot of available funding into trying to close the educational attainment gaps for disadvantaged students. However, as the Academy has relatively few disadvantaged students it attracts very little additional funding above its AWPU of £4,138 per student (ages 11-16 years). This low baseline of funding is further exacerbated by the removal of the Education Services Grant (ESG) going forward and any material funding protection. The failure to finalise a new National Funding Formula (NFF) will compound these financial difficulties as costs continue to rise, many of which are outside the control of the Academy or the Trustees, for example, the mandatory Apprenticeship levy and National Living Wage. Additionally the reducing funding (in real terms) for Post 16 students has necessitated curriculum and budget cuts and these will continue as the Academy strives to produce a balanced budget in the short to medium term. Inadequate funding is currently the largest risk and greatest area of uncertainty to the Academy.

The local educational marketplace is undergoing significant change as organisations start to form MATs and finalise proposals for new secondary provision. This is another area of uncertainty as the Trust cannot know how the emergence of new organisations will impact on student numbers. This risk is being managed through ongoing professional discussions with local stakeholders, involvement in discussions across the borough and keeping up to date with the Regional Schools Commissioner. Risk management is therefore a continual process which is reviewed on a regular basis. Key priority risks are identified, managed and reported on and each is owned by a member of the Leadership Group.

Plans for Future Periods

The Trustees of the Academy agreed a three-year Quality Improvement Plan which covers the period from 2014-2017. 2015/16 was the second year of a strategy which aims to achieve key improvements throughout the Academy by fostering a whole school culture of ownership, accountability and innovation. All types and levels of staff are involved in the identification of targets, the development of actions and the rolling out of new ideas and therefore future improvements will be built up from ground level and will be based on tried and tested practices.

This plan was in place throughout 2014/15 and 2015/16 and progress against this plan has been documented and reported upon.

The Academy will continue to strive to improve the levels of performance of its students at all levels and to ensure that they are properly prepared to continue on to their next stage of education or training.

Auditor

Insofar as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as the Company Directors, on 14th December 2016 and signed on the Board's behalf by:

Signed:

Mr K Floyd
Chair of the Board of Trustees

The North Halifax Grammar School

Governance Statement

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that The North Halifax Grammar School 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 Trustees has delegated the day-to-day responsibility to the Principal as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The North Halifax Grammar School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
K Floyd (Chair)	8	8
R Hartley (Vice Chair)	8	8
K Beverley (Responsible Officer)	6	8
K Cannon	7	7
A Prathivadi Bhyankaram	1	8
R Unsworth	0	7
M Carrigan (LA)	4	8
C Livingstone	7	8
M Pitts	8	8
R Hey	0	1
S Adams (Staff Trustee)	7	8
V Harrison-Law (Staff Trustee)	8	8
S Taylor	7	8
D Whittington	7	8
A Fisher (Principal and Accounting Officer)	8	8
A Cade	1	1

Each committee, as well as the full governing board, reflects on its performance in the final meeting of the year and makes suggestions for improvement, as required, in the following year. In the year 2015/16 the Trustees reflected on the balance of skills on the board and decided to seek additional Trustees with financial experience and a Trustee with Safeguarding experience. In addition, the Trustees recruited two advisors on Health and Safety matters and approved the appointment of a marketing company to assist in rebranding and to improve the Academy's external marketing and its communications with stakeholders.

The review of the school conducted by Calderdale Secondary Schools Improvement Cluster (CSSIC) led by a qualified Ofsted inspector and two secondary Headteachers, included an interview with Trustees which resulted in very positive feedback about their work. The Trustees are currently seeking to find a national leader of governance (NLG) to conduct a formal external review of governance in 2016/17.

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Governance Statement (continued)

The Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to support and challenge the Leadership Group of the Academy to ensure that the annual budget recommended to the Trustees supports the achievement of the aims of the Trust and to ensure that all resources are deployed efficiently in such a way as to achieve best value. The most pressing challenge faced by the Resources Committee in the year 2015/16 has been how to secure the long term future of the Academy given significantly rising costs and very uncertain future funding levels. The Committee has also had oversight of the large capital projects currently running in the Academy as a result of four successful Condition Improvement Fund bids.

During the year A Cade, who is a qualified accountant, joined the committee. A Cade was appointed after the last Resources Meeting of the academic year 2015/16 had taken place. R Hey resigned as a Trustee at the start of the academic year 2015/16 but before the first Resources Meeting had taken place. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Pitts (Chair)	3	3
K Floyd	2	3
K Beverley	3	3
A Fisher (Principal and Accounting Officer)	3	3
V Harrison-Law (Staff Trustee)	3	3
C Livingstone	2	3
R Unsworth	0	2
R Hey	0	0
A Cade	0	0

The Pay and Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to ensure that Appraisal and Pay Progression are applied fairly and rigorously in the Academy and to ensure that the Academy is rigorously audited in accordance with guidance and best practice. The Committee ensures that any recommendations from the auditors are implemented and receives reports from the Responsible Officer. There were no 'particular issues' outside of its normal business dealt with by the Committee in 2015/16.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K Beverley	2	2
K Floyd	2	2
C Livingstone	1	2
A Fisher	2	2

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 social outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- conducting a review and restructure of non-teaching posts in the school. This had led to staffing reductions in the catering function (achieved through voluntary redundancies) and to a decision to amalgamate the cover supervisors' function and the learning support function to achieve significant savings to supply teacher costs in future years.
- the Trust has joined a Calderdale Council scheme to jointly purchase gas supplies in advance from a new supplier in order to secure cost certainty and energy cost savings over the next three years.
- completing and continuing the capital projects to replace old single glazed windows and uninsulated roof and wall panels with double glazing and insulated roof and wall panels will significantly reduce future heating bills.

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 the Academy Trust for the period 1st September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

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 included:

- comprehensive budgeting and monitoring systems with an annual budget and monthly management accounts which are reviewed and agreed by the Board;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, explanation of variances, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed K Beverley, a Trustee, to carry out a programme of internal checks

The North Halifax Grammar School

Governance Statement (continued)

The named Trustee's 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 account/bank reconciliations
- testing of the control and management of key risks

On a regular basis, the RO reports to the board of trustees through the Pay and Audit Committee on the operation of systems of control and on the discharge of the Board of Trustees' financial responsibilities.

No significant issues were identified during 2015/2016.

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 RO;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the management team 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 Pay and Audit Committee and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14th December 2016 and signed on its behalf by:

Signed

Signed

Kevin Floyd
Trustee

Andrew Fisher
Accounting Officer

The North Halifax Grammar School

Statement of Regularity, Propriety and Compliance

As Accounting Officer of The North Halifax Grammar School Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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

Signed

A G Fisher

Accounting Officer

14th December 2016

The North Halifax Grammar School

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform 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 Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 14th December 2016 and signed on its behalf by:

Signed

Kevin Floyd

Trustee

The North Halifax Grammar School Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The North Halifax Grammar School Academy Trust

Independent Auditor's Report on the Financial Statements to the members of The North Halifax Grammar School Academy Trust

We have audited the financial statements of The North Halifax Grammar School Academy Trust for the year ended 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 and the Annual Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's Trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 20), the Trustees (who 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 and the charities SORP 2015; and
- have been prepared in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

.....
David Roper BSc FCA CTA (Senior Statutory Auditor)
For and on behalf of Lambert Roper & Horsfield Limited, Statutory Auditor

The Old Woolcombers Mill
12-14 Union Street South
Halifax
West Yorkshire
HX1 2LE

14 December 2016

The North Halifax Grammar School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The North Halifax Grammar School Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 10 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The North Halifax Grammar School Academy Trust during the period 1st 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 The North Halifax Grammar School Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The North Halifax Grammar School Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than North Halifax Grammar School Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The North Halifax Grammar School Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The North Halifax Grammar School Academy Trust's funding agreement with the Secretary of State for Education dated 1st June 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 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1st September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

The North Halifax Grammar School Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The North Halifax Grammar School Academy Trust and the Education Funding Agency (continued)

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw our conclusion includes:

- detailed audit tests being extended to assess whether the expenditure related to an activity which is permissible within the Academy Trust's framework of authorities and whether the expenditure was in agreement to specific terms of grant funding. Additional testing was performed on cash and credit cards to ensure they are only used for the purposes intended by the Academy with no indication of personal use.
- The minutes of all Governor and Committee meetings being reviewed with the specific purpose to identify any restricted transactions, seek evidence of the tendering process for applicable purchases and Governor approval, seek evidence of quotes to allow 'value for money' decisions to be communicated and witness delegated authorities channels through the committee group structure.
- Formal representations have been sought from the Governing Body for any matters where direct evidence is not available.

Conclusion

In the course of our work nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1st 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.

Signed

Reporting Accountant

Lambert Roper & Horsfield

14th December 2016

The North Halifax Grammar School Academy Trust

Statement of Financial Activities for the year ended 31 August 2016

(including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000	Total 2015 Restated £000
Income and endowments from:						
Donations and capital grants	3	16	371	2,676	3,063	1,018
Charitable activities:						
Funding for the academy trust's educational operations	4	15	5,190	-	5,205	5,278
Other trading activities	5	404	36	-	440	414
Investments	6	9	-	-	9	3
Total		444	5,597	2,676	8,717	6,713
Expenditure on:						
Raising funds	7	-	364	-	364	329
Charitable activities:						
Academy trust educational operations	8	-	5,664	388	6,052	5,915
Total		-	6,028	388	6,416	6,244
Net income / (expenditure)		444	(431)	2,288	2,301	469
Transfers between funds	17	(404)	373	31	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17,26	-	(1,005)	-	(1,005)	77
Net movement in funds		40	(1,063)	2,319	1,296	546
Reconciliation of funds						
Total funds brought forward per 2014/15 audited financial statements		69	331	6,883	7,283	
Adjustments made due to FRS102 disclosure requirements	28		(21)			
Total funds brought forward	28	69	310	6,883	7,262	6,716
Total funds carried forward		109	(753)	9,202	8,558	7,262

The North Halifax Grammar School Academy Trust

Balance Sheet as at 31 August 2016

Company Number 7628903

	Notes	2016 £000	2016 £000	2015 Restated £000	2015 Restated £000
Fixed assets					
Tangible assets	12		7,559		6,330
Current assets					
Stock	13	8		7	
Debtors	14	201		150	
Cash at bank and in hand		3,579		1,810	
		3,788		1,967	
Liabilities					
Creditors: Amounts falling due within one year	15	(945)		(338)	
Net current assets			2,843		1,629
Total assets less current liabilities			10,402		7,959
Creditors: Amounts falling due after more than one year	16		(159)		(87)
Net assets excluding pension liability			10,243		7,872
Defined benefit pension scheme liability	26		(1,685)		(610)
Total net assets			8,558		7,262
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	17	9,202		6,883	
. Restricted income fund	17	932		920	
. Pension reserve	17	(1,685)		(610)	
Total restricted funds			8,449		7,193
Unrestricted income funds	17		109		69
Total funds			8,558		7,262

The financial statements on pages 25 to 50 were approved by the trustees and authorised for issue on 14 December 2016 and are signed on their behalf by

Kevin Floyd
Trustee

The North Halifax Grammar School Academy Trust

Statement of Cash Flows

for the year ended 31 August 2016

	Notes	2016 £000	2015 Restated £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	21	631	244
Cash flows from investing activities	23	1,067	509
Cash flows from financing activities	22	71	(18)
Change in cash and cash equivalents in the reporting period		1,769	735
Cash and cash equivalents at 1 September 2015		1,810	1,075
Cash and cash equivalents at 31 August 2016	24	3,579	1,810

The North Halifax Grammar School Academy Trust

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

1 Statement of accounting policies

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

Basis of Preparation

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

The North Halifax Grammar School Academy Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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

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

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

- **Donations**
Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other Income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- **Donated goods, facilities and services**
"Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

Expenditure

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

- **Expenditure on Raising Funds**
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable Activities**
These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT

Tangible Fixed Assets

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

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

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

• Freehold buildings	20-50 years; 2-5% per annum
• Fixtures, fittings and equipment	5 years; 20% per annum
• ICT hardware	4 years; 25% per annum
• Motor Vehicles	4 years; 25% per annum

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

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

Liabilities

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

Operating Lease Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

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

Designated funds comprise of Unrestricted General Funds which have been set aside for a specific purpose established by the Trustees.

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 General Annual Grant (GAG)

The funding agreement with the Secretary of State does not include any limits on the amount of GAG that could be carried forward from one year to the next.

3 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 Restated £000
Capital grants	-	2,647	2,647	662
Donated fixed assets	1	345	346	327
Other donations	15	55	70	29
	<u>16</u>	<u>3,047</u>	<u>3,063</u>	<u>1,018</u>
	<u>4</u>	<u>1,014</u>	<u>1,018</u>	
2015 Total				

The North Halifax Grammar School Academy Trust

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

4 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 Restated £000
DfE / EFA grants				
. General Annual Grant (GAG)	-	5,059	5,059	5,177
. Other DfE/EFA grants	-	41	41	45
	<u>-</u>	<u>5,100</u>	<u>5,100</u>	<u>5,222</u>
Other Government grants				
. Local authority grants	-	3	3	1
. Special educational projects	-	15	15	
	<u>-</u>	<u>18</u>	<u>18</u>	<u>1</u>
Other income from the academy trust's educational operations	15	72	87	55
	<u>15</u>	<u>5,190</u>	<u>5,205</u>	<u>5,278</u>
2015 Total	<u>-</u>	<u>5,278</u>	<u>5,278</u>	

5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 Restated £000
Catering	404	-	404	382
Music	-	36	36	32
	<u>404</u>	<u>36</u>	<u>440</u>	<u>414</u>
2015 Total	<u>382</u>	<u>32</u>	<u>414</u>	

6 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 Restated £000
Short term deposits	9	-	9	3
	<u>9</u>	<u>-</u>	<u>9</u>	<u>3</u>
2015 Total	<u>3</u>	<u>-</u>	<u>3</u>	

The North Halifax Grammar School Academy Trust

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

7 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2016 £000	Total 2015 Restated £000
		Premises £000	Other £000		
Expenditure on raising funds	-	-	364	364	329
Academy's educational operations:					
. Direct costs	3,576	388	517	4,481	4,316
. Allocated support costs	956	214	401	1,571	1,599
	<u>4,532</u>	<u>602</u>	<u>1,282</u>	<u>6,416</u>	<u>6,244</u>
2015 Total	<u>4,342</u>	<u>683</u>	<u>1,219</u>	<u>6,244</u>	

Net income/(expenditure) for the period includes:

	2016 £000	2015 Restated £000
Operating lease rentals	15	66
Depreciation	388	405
(Gain)/loss on disposal of fixed assets	-	-
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)		
Fees payable to auditor for:		
- audit	8	8
- other services	3	3
	<u>8</u>	<u>3</u>

The North Halifax Grammar School Academy Trust

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

8 Charitable activities

	Total 2016 £000	Total 2015 Restated £000
Direct costs – educational operations	4,481	4,316
Support costs – educational operations	1,571	1,599
	6,052	5,915

Analysis of support costs	Educational operations £000	Total 2016 £000	Total 2015 Restated £000
Support staff costs	956	956	870
Depreciation	-	-	-
Technology costs	8	8	14
Premises costs	215	215	278
Other support costs	379	379	426
Governance costs	13	13	11
Total support costs	1,571	1,571	1,599
2015 Total	1,599	1,599	

9 Staff

a. Staff costs

Staff costs during the period were:

	Total 2016 £000	Total 2015 Restated £000
Wages and salaries	3,507	3,445
Social security costs	296	255
Operating costs of defined benefit pension schemes	592	524
	4,395	4,224
Supply staff costs	109	118
Staff restructuring costs	28	-
	4,532	4,342
Staff restructuring costs comprise:		
Redundancy payments	28	-
	28	-

The North Halifax Grammar School Academy Trust

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

9 Staff (continued)

b. Staff numbers

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

	2016	2015
	No.	Restated No.
Teachers	60	68
Administration and support	65	66
Management	7	8
	132	142

c. Higher paid staff

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

	2016	2015
	No.	Restated No.
£60,001 - £70,000	2	2
£70,001 - £80,000	1	2

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £491,000 (2015: £541,000).

The North Halifax Grammar School Academy Trust

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

10 Related Party Transactions – Trustees' remuneration and expenses

The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment.

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

A Fisher (Principal and Trustee):

- . Remuneration £80,001 - £90,000 (2015: £70,001 - £80,000)
- . Employer's pension contributions paid £10,000 - £15,000 (2015: £10,000 - £15,000)

S Adams (Staff Trustee):

- . Remuneration £30,001 - £40,000 (2015: £30,001 - £40,000)
- . Employer's pension contributions paid £1 - £10,000 (2015: £1 - £10,000)

V Harrison-Law (Staff Trustee):

- . Remuneration £30,001 - £40,000 (2015: £30,001 - £40,000)
- . Employer's pension contributions paid £1 - £10,000 (2015: £1 - £10,000)

During the period ended 31 August 2016, no travel and subsistence expenses were reimbursed or paid directly to Directors (2015: £0).

11 Trustees and officers insurance

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. The scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £5,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme. (2015 cost: £804.)

The North Halifax Grammar School Academy Trust

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

12 Tangible fixed assets

	Freehold Land and Buildings £000	Assets Under Construction £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost						
At 1 September 2015	7,154	118	171	309	36	7,788
Additions	-	1,582	30	6	-	1,618
Disposals	-	-	-	(5)	-	(5)
Transfers between categories	998	(998)	-	-	-	-
At 31 August 2016	8,152	702	201	310	36	9,401
Depreciation						
At 1 September 2015	1,154	-	75	208	21	1,458
Charged in year	284	-	35	63	7	389
Disposals	-	-	-	(5)	-	(5)
At 31 August 2016	1,438	-	110	266	28	1,842
Net book values						
At 31 August 2015	6,000	118	96	101	15	6,330
At 31 August 2016	6,714	702	91	44	8	7,559

13 Stock

	2016 £000	2015 Restated £000
Resources	5	4
Catering	3	3
	8	7

14 Debtors

	2016 £000	2015 Restated £000
Trade debtors	11	1
VAT recoverable	71	58
Prepayments and accrued income	119	91
	201	150

The North Halifax Grammar School Academy Trust

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

15 Creditors: amounts falling due within one year

	2016	2015
	£000	Restated £000
Trade creditors	5	34
Loan	28	26
Accruals	146	125
Other creditors	153	-
Capital creditors	445	-
Deferred income	168	124
Grant repayable	-	29
	945	338

	2016	2015
	£000	Restated £000
Deferred income		
Deferred income at 1 September 2015	124	127
Released from previous years	(124)	(127)
Resources deferred in the year	168	124
Deferred Income at 31 August 2016	168	124

At the balance sheet date the academy trust was holding funds received in advance for dinner money, trips, music tuition, rates and Post 16 bursaries.

16 Creditors: amounts falling due in greater than one year

	2016	2015
	£000	Restated £000
Calderdale Council loans	53	80
SALIX loans	20	7
EFA CIF loan	86	
	159	87

Repayments for two loans from Calderdale Council are made annually on 1 April. The interest is charged on the two loans taken out with the Prudential (via Calderdale MBC) at a rate of 6.67% per annum.

Two SALIX loans have been taken out through the EFA as part of two CIF funded projects and these are interest free. Repayments will be made half yearly in March and September.

In addition, a loan has been taken out from the EFA as part of a third CIF funded project and the interest rate on this is 2.21% per annum and monthly repayments will start from September 2017 for ten years.

The amount due over five years is £86k.

The North Halifax Grammar School Academy Trust

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

17 Funds

	Balance at 1 September 2015 Restated £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	854	5,059	(5,476)	347	784
Pupil Premium	30	41	(50)	-	21
Loan Reserve	(107)	-	-	26	(81)
Other Restricted	143	497	(432)	-	208
Pension reserve	(610)	-	(70)	(1,005)	(1,685)
	310	5,597	(6,028)	(632)	(753)
Restricted fixed asset funds					
Assets donated on conversion	4,746	-	(257)	-	4,489
DfE/EFA capital grants	1,667	2,647	(40)	-	4,274
Capital expenditure from GAG	361	-	(76)	31	316
Other capital donations	109	29	(15)	-	123
	6,883	2,676	(388)	31	9,202
Total restricted funds	7,193	8,273	(6,416)	(601)	8,449
Total unrestricted funds	69	444	-	(404)	109
Total funds	7,262	8,717	(6,416)	(1,005)	8,558

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

Restricted General Funds

GAG - This is received for the running of the Academy and covers all recurrent expenditure including the repair, renewal and replacement of assets including the building.

Pupil Premium - This is received in respect of the pupil premium grant. The funds have mainly been received based on the number of students meeting the government specified criteria.

The Loan Reserve represents loans taken out by the Foundation School which transferred to the Academy on conversion plus the new SALIX loans taken out as part of the two CIF funded Windows and Roofs Project, plus the EFA loan taken out on the CIF funded expansion project. Interest paid on the loans is allocated to this fund and the transfer relates to the gross repayments made in the year.

Other restricted - These are made up of income and the associated expenses relating to Academy activities, including SEND grants and non-educational activities. Income received is a mix of being for a specific purpose to pay for the activity or a voluntary contribution against the cost of putting on the activity.

The Pension Reserve deficit is the West Yorkshire Pension Fund. This is the defined benefit pension scheme available for non-teaching members of staff.

The North Halifax Grammar School Academy Trust

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

17 Funds (continued)

Restricted Fixed Asset Funds are analysed based on sources of income but relate to one fund. All fixed assets are held within this fund. Expenditure relates to depreciation which is allocated to specific assets based on the source of income used to purchase them. When income is received for the funding of an asset it is allocated directly to this fund, the remaining assets are deemed to be purchased from the GAG, or Unrestricted Funds where GAG funds are not available. The fund includes the cash balances for grants received but not yet spent on assets.

Unrestricted Funds

The Designated Development Fund was set up by the Trustees to allow the academy to build funds for future redevelopment of the building. "Windfall" funds have been set aside and accumulated historically, including bank interest and unrestricted donations. It is expected that this will be fully expended during 2016/17.

Unrestricted General Funds are made up of catering income and the sale of sundry items (school shop, photos, uniform sale commissions, pupil locker rental etc). The money raised from these is available to cover any shortfall in GAG income for the running of the Academy and the purchase of fixed assets. Catering income is treated as a contribution against GAG expenses. There is an overall net expense within the GAG fund for catering.

Transfers between funds

A balance equal to the catering income has been transferred from Unrestricted General Funds into Restricted General Funds (GAG), the cost of catering is covered by GAG income but all charges made for food are offset against the expense.

The employers pension contributions paid to the local government pension scheme have been transferred between the GAG and Pension Reserve in Restricted General Funds.

The repayments made on the loan have been treated as paid from GAG.

18 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	7,559	7,559
Current assets	109	2,036	1,643	3,788
Current liabilities	-	(945)	-	(945)
Non-current liabilities	-	(159)	-	(159)
Pension scheme liability	-	(1,685)	-	(1,685)
Total net assets	109	(753)	9,202	8,558

The North Halifax Grammar School Academy Trust

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

19 Capital commitments

	2016 £000	2015 Restated £000
Contracted for, but not provided in the financial statements	4,159	915

20 Commitments under operating leases

Operating leases

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

	2016 £000	2015 Restated £000
Amounts due within one year	13	13
Amounts due between one and five years	35	49
Amounts due after five years	-	-
	<u>48</u>	<u>62</u>

21 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2016 £000	2015 Restated £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,300	469
Adjusted for:		
Depreciation charges (note 12)	389	405
Capital grants from DfE and other capital income	(2,676)	(662)
Interest receivable (note 6)	(9)	(3)
Defined benefit pension scheme obligation inherited	-	-
Defined benefit pension scheme cost less contributions payable (note 26)	49	60
Defined benefit pension scheme finance cost (note 26)	21	21
(Increase)/decrease in stocks	(1)	(1)
(Increase)/decrease in debtors	(51)	(41)
Increase/(decrease) in creditors	608	(4)
Net cash provided by / (used in) Operating Activities	<u>631</u>	<u>244</u>

The North Halifax Grammar School Academy Trust

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

22 Cash flows from financing activities

	2016	2015
	£000	Restated £000
Repayments of borrowing	(26)	(26)
Cash inflows from new borrowing	97	8
Net cash provided by / (used in) financing activities	71	(18)

23 Cash flows from investing activities

	2016	2015
	£000	£000
Dividends, interest and rents from investments	9	3
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(1,618)	(156)
Capital grants from DfE/EFA	2,637	642
Capital funding received from sponsors and others	39	20
Net cash provided by / (used in) investing activities	1,067	509

24 Analysis of cash and cash equivalents

	At 31 August 2016	At 31 August 2015
	£000	Restated £000
Cash in hand and at bank	1,467	1,008
Notice deposits (less than 3 months)	2,112	802
Total cash and cash equivalents	3,579	1,810

The North Halifax Grammar School Academy Trust

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

25 Members liability

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

26 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by The West Yorkshire Pension Fund. Both are multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

The North Halifax Grammar School Academy Trust

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

26 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £385,748 (2015:£330,527).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme."

The North Halifax Grammar School Academy Trust

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

26 Pension and similar obligations (continued)

Local Government Pension Scheme

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

The total contribution made for the year ended 31 August 2016 was £185,000 (2015: £160,000), of which employer's contributions totalled £127,000 (2015: £114,000) and employees' contributions totalled £58,000 (2015: £46,000) The agreed contribution rates for future years are 15 per cent for employers and 5.5-12.5 per cent 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."

Principal Actuarial Assumptions	31 August 2016	31 August 2015
Rate of increase in salaries	3.40%	3.50%
Rate of increase for pensions in payment/inflation	1.90%	2.00%
Discount rate for scheme liabilities	2.00%	3.80%
Inflation assumption (CPI)	1.90%	2.00%
Commutation of pensions to lump sums	75.00%	75.00%

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

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

The North Halifax Grammar School Academy Trust

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

26 Pension and similar obligations (continued)

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 Restated £000
Equity instruments	2,092	1,678
Debt instruments	559	434
Property	134	99
Total market value of assets	2,785	2,211

The actual return on scheme assets was £431,000 (2015: £31,000)

Amount recognised in the statement of financial activities

	2016 £000	2015 Restated £000
Current service cost (net of employee contributions)	(118)	(128)
Net interest cost	(21)	(21)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
Total operating charge	(139)	(149)

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

	2016 £000	2015 Restated £000
At 1 September	2,821	2,709
Upon conversion	-	-
Current service cost	176	174
Interest cost	108	100
Employee contributions	58	46
Actuarial (gain)/loss	1,349	(125)
Benefits paid	(42)	(83)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	4,470	2,821

The North Halifax Grammar School Academy Trust

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

26 Pension and similar obligations (continued)

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

	2016	2015
	£000	Restated £000
At 1 September	2,211	2,103
Upon conversion	-	-
Interest income	87	79
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	344	(48)
Employer contributions	127	114
Employee contributions	58	46
Benefits paid	(42)	(83)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	2,785	2,211

27 Related party transactions

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

A4 Barcodes Limited – a company in which Mrs C Varley (a member of the senior management team of the trust) has an interest:

- The trust purchased paper from A4 Barcodes Limited totalling £396 (2015: £nil) during the period. There were no amounts outstanding at 31 August 2016 (2015: £nil)
- The trust made the purchase at arms' length in accordance with its financial regulations, which Mrs Varley neither participated in, nor influenced
- In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2015

The North Halifax Grammar School Academy Trust

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

28 Transition to FRS 102

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

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

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

Explanation of transition to FRS 102

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

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees 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 income/(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		6,716	7,283
Employee benefits accrual	B	-	(21)
Total funds reported under FRS 102		6,716	7,262

The North Halifax Grammar School Academy Trust

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

28 Transition to FRS 102 (continued)

Reconciliation of net income/(expenditure)	Notes	31 August 2015 £000
Net income/(expenditure) previously reported under UK GAAP		552
Change in recognition of LGPS interest cost	A	(62)
Employee benefits accrual	B	(21)
Net movement in funds reported under FRS 102		469

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £62k and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.

B – Recognition of outstanding employee benefits

No provision for outstanding holiday pay was made under previous UK GAAP. Under FRS 102 the costs of short-term employee benefits are recognised as a liability and an expense. Certain employees are entitled to carry forward up to [X days] of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received. A provision of £0k was recognised at 1 September 2014, and £21k at 31 August 2015. The movement on this provision of £21k has been charged to the SOFA in the year ended 31 August 2015.