



# **The North Halifax Grammar School Academy Trust**

**For accounting period ending  
31 August 2017**

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

**Company Registration Number:  
7628903 (England and Wales)**

# The North Halifax Grammar School Academy Trust

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# The North Halifax Grammar School Academy Trust

## Reference and Administrative Details

### Members

K Floyd  
R Hartley  
K Beverley  
M Carrigan  
M Pitts

### Trustees

K Floyd (Chair until 31.08.17) (resigned 31.08.17) - Trustee  
R Hartley – Parent Trustee (re-appointed 28.06.17) (Chair from 31.08.17)  
M Carrigan – LA Trustee  
K Beverley - Trustee  
A Fisher (Principal and Accounting Officer) Trustee  
A Prathivadi Bhayankaram – Trustee  
D Whittington – (Term of Office expired 28.06.17) Parent Trustee  
S Adams – Staff Trustee (re-elected 31.08.17)  
V Harrison-Law – Staff Trustee  
M Pitts –Trustee  
A Cade –Trustee  
R Abdrasilov – Co-opted Trustee (appointed 14.12.2016)  
B Mack – Co-opted Trustee (appointed 28.06.2017)

### Company Secretary

E Casson

### Senior Management Team:

- Principal
  - Vice Principal
  - Vice Principal
  - Vice Principal
  - Vice Principal
  - Associate Vice Principal
  - Academy Finance Director
  - Academy Systems Manager
- A Fisher  
P Jervis  
R Haworth  
D Wood  
C Tomlin  
D Crossland  
E Casson  
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 First Floor Rosemount House Huddersfield Road Elland HX5 0EE
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 period 1<sup>st</sup> September 2016 to 31<sup>st</sup> August 2017. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 19 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 Trustees 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 31<sup>st</sup> August 2017 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.

### Policies and Procedures Adopted for the Induction and Training of Trustees

The Vice Chair of the Governance Board 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 Governance 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. Trustees receive general updates and all Trustees also attend an annual Training Event 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 (LG) 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 1<sup>st</sup> September 2016 to 31<sup>st</sup> August 2017 the Leadership Group comprised of the Principal, four Vice Principals, an Associate Vice Principal, the Academy Systems Manager and the Academy Finance Director.

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 31<sup>st</sup> 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 Pay and Audit Committee 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 Pay and Audit Committee 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 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 North Halifax Grammar School Academy Trust, to provide education for students of above average intellect between the ages of 11 and 19.

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.

## **Strategic Report**

### **Achievements and Performance**

The Academy's Quality Improvement Plan is reviewed termly by Directors. For 2016/17 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.

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).

#### 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 other.

### 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 for its students. During the period under review the Academy had 1,053 students on roll during the academic year 2016/17.

The Academy provides education to young people aged 11 to 19 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.

### Key Performance Indicators

An important requirement for academies is to ensure student attendance. In 2016/17 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><b>Teaching and Learning</b></p>	<p>Teaching and Learning is the core function of the Academy. During 2016/17 whole School CPD focussed on differentiation and the introduction of key 'Golden Rules' for teaching and learning within the classroom. These have provided a clear framework in which consistently good and outstanding learning is delivered. The Golden Rules have enabled a greater consistency in approach whilst still allowing for differing teaching styles.</p>
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	<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 2016/17 as Good overall. 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>
<b>Achievement and Progress</b>	<p>The GCSE results for 2016/17 were similar to the previous year's results with 99% of students achieving at least 5 A*-C grades (including English and Maths) at Grade 4 and above. The Academy's provisional Attainment 8 score of 64.1 is well above the provisional national average while the Academy's provisional 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 2016/17 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 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>
<b>Behaviour and Safety</b>	<p>The Behaviour For Learning (BFL) system for rewarding and sanctioning students 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>
<b>Leadership and Management</b>	<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 2017 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 create a post of Associate Vice Principal, internally, for one year starting September 2016 and subject to annual review. This role has enabled responsibilities to be redistributed throughout the team and created additional leadership and management capacity.</p>
<b>The Academy Estate</b>	<p>The estate continued to be developed significantly in 2016/17 as various CIF funded projects were completed and new projects were started. The Life Safety project and the second</p>

	<p>Windows and Roof project were both completed by the summer, the new sports hall was substantially completed by the end of August and in August the Academy heard that the bid for a two classroom extension had been funded.</p> <p>Two further bids for the December 2017 CIF bidding round are being prepared; one for the further renewal of defective roofs and one for the replacement of the electrical circuits within the school.</p>
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### 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 2016/17 the Academy has performed as expected against the following performance indicators:

	<b>2016/17</b>	<b>2015/16</b>
Staff costs as a percentage of GAG:	93.1%	89.6%
In-house catering outturn deficit	£16k	£17k (excluding redundancy costs)
Level of General Fund and Unrestricted Reserves carried forward	£1.151m	£1.041m

## 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.

<b>GCSE</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Number of Students in Year 11	156	154	154	155
Number of Entries	1944	1780	1545	1581
Percentage of Students achieving 5+A*-C grades (9-4 English and Maths)	98.1	100	98.7	97.1
Percentage of Students achieving 5+A*-C grades (incl. English & Maths)	91.7	98.7	98.7	97.1
Percentage of Students achieving 5+A*-A grades	55.8	64.4	57.7	45.5
Percentage of Students achieving the English Baccalaureate	71.8	84.4	67.5	61.9
Average Points Score Per Student (uncapped)	556.01	574.33	491.68	488.4
Average Points Score Per Student (capped)	404.02	409.4	400.8	393.2
Average Points per Entry	48.31	49.19	48.85	47.64
Percentage of Students making expected progress in English	81.4	87.0	93.5	85.2
Percentage of Students making expected progress in Maths	84.6	98.0	96.1	77.9
Progress 8 Score		+0.37	-0.02	-0.07
<b>A Level</b>				
Number of Students	162	177	163	184
Number of Entries	511	544	474	493
Average Points per Student	868.43	866.61	767.41* 110.93*	118.91
Average Points per Entry	233.5	228.26	271.51* 33.24*	36.14

\*The calculation of these figures changed during 2015/2016 and therefore the top figures are those directly comparable with prior years and the bottom figures are those calculated the new way.

## Student Outcomes

83% of students in Year 13 went on to study 86 different courses at 54 different Universities around the UK. 46.5% of students who went onto university went to study at Russell Group Universities including 5 at Cambridge. 6.4% 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 and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 months ended 31 August 2017 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 ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (FRS 102), 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 £8.38m (2016: £8.72m). Of this sum 60% (2016: 58%) 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 2016/17 this accounted for 29% of total income. During the period ended 31 August 2017, the deficit of expenditure over income, excluding the Restricted Fixed Asset Fund, was £57,000 (2016: surplus of £13,000) (before the actuarial gains on the defined benefit pension schemes).

At 31 August 2017 the net book value of fixed assets was £11.28m (2016: £7.56m) 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 £1.084m (2016: £1.685m).

### 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 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 £981,000 (2016: £932,000) and the Academy's current level of free reserves, being Unrestricted Funds less Designated Funds is £170,000 (2016: £109,000).

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 £0.35m 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 however, this has decreased significantly during the year from £1.685m to £1.084m at 31 August 2017. 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 2017 are £1.73m (2016: £3.58m). These have accumulated as a result of capital grant funding being received before the projects have started to incur matching levels of expenditure. However, there has been a reduction in 2016/17 as the capital projects have been completed.

In the year under review, the Academy has made 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 has been 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. Funding has been received to build a two classroom extension and this is expected to be completed by July 2018.

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 £7k of interest for the Academy during 2016/17.

### **Principal Risks and Uncertainties**

The primary source of funding for the Academy is Government grant through the ESFA and a key element of this funding is determined by student numbers and the locally determined 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 Age Weighted Pupil Unit (AWPU) of £4,138 per student (ages 11-16 years).

The Government has recently finalised a new National Funding Formula (NFF) which introduces a single rate of funding per pupil for primary and secondary schools. Secondary schools will attract minimum per pupil funding through the formula of £4,800 in 2019/20 with a transitional minimum of £4,600 in 2017/18. However, funding for the Academy will still come through Calderdale Council in 2017/18 and 2018/19 and therefore whilst they will receive this level of funding from the Government, they may not pass this on in full. From 2019/20, funding will be received directly from the Government at the published per pupil funding rate of £4,800.

The agreement of a per pupil funding rate of £4,800 makes a significant difference to the long term financial position of the Academy and will enable reserves to be retained at an appropriate level whilst also putting resource back into teaching and learning.

The local educational marketplace continues to undergo significant change as organisations start to form Multi Academy Trusts (MATs) and finalise proposals for new secondary provision and Post 16. This is another area of uncertainty as the Trust cannot know how the emergence of new organisations will affect 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. 2016/17 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, 2015/16 and 2016/17 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**

In so far 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 Governance Board, as the Company Directors, on 13<sup>th</sup> December 2017 and signed on the Board's behalf by:

**Signed:**

**Mr R Hartley**  
**Trustee and Chair of the Governance Board**

# The North Halifax Grammar School Academy Trust

## 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 mis statement or loss.

The Governance Board 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 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 Governance Board has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
K Floyd (Chair)	6	6
R Hartley (Vice Chair)	6	6
K Beverley (Responsible Officer)	6	6
A Prathivadi Bhyankaram	5	6
M Carrigan (LA)	2	6
M Pitts	6	6
S Adams (Staff Trustee)	4	6
V Harrison-Law (Staff Trustee)	5	6
D Whittington	5	6
A Fisher (Principal and Accounting Officer)	5	6
A Cade	6	6
R Abdrasilov	4	4

Each committee, as well as the Governance 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 2016/17 the Trustees reflected on the balance of skills on the board and decided to seek additional Trustees with financial experience, appointing R Abdrasilov in December 2016. B Mack was appointed in June 2017 as an experienced governor around Standards. D Whittington's Term of Office expired at the end of August 2017 and was not renewed. K Floyd resigned from post at the end of August 2017.

The review of the school conducted by Calderdale Secondary Schools Improvement Cluster (CSSIC) lead 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.

The Resources Committee is a sub-committee of the main Governance Board. 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 2016/17 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 two successful Condition Improvement Fund bids.

During the year R Abdrasilov, who has a background in the financial sector, joined the committee. Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
M Pitts (Chair)	3	3
K Floyd	3	3
K Beverley	3	3
A Fisher (Principal and Accounting Officer)	3	3
V Harrison-Law (Staff Trustee)	3	3
A Cade	0	0
R Abdrasilov	1	2

The Pay and Audit Committee is also a sub-committee of the main Governance Board. 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 2016/17.

Attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
K Beverley (Chair)	2	2
K Floyd	2	2
A Cade	2	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 societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Governance Board 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 3 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 1<sup>st</sup> September 2016 to 31 August 2017 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 2016 to 31 August 2017 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 have appointed K Beverley, a Trustee, to carry out a programme of internal checks.

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 quarterly basis, the Responsible Officer (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 2016/2017.

## **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 13<sup>th</sup> December 2017 and signed on its behalf by:

**Signed**

**Signed**

**Roger Hartley**  
Chair of the Governance Board

**Andrew Fisher**  
Accounting Officer

# **The North Halifax Grammar School Academy Trust**

## **Statement of Regularity, Propriety and Compliance**

As Accounting Officer of North Halifax Grammar School Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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 ESFA.

**Signed**

**A G Fisher**  
Accounting Officer

**13<sup>th</sup> December 2017**

# The North Halifax Grammar School Academy Trust

## Statement of Trustees' Responsibilities

The Trustees (who act as governors of 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 and Skills 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 2016 to 2017;
- 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 ESFA/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 13<sup>th</sup> December 2017 and signed on its behalf by:

**Signed**

**Roger Hartley**  
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

### Opinion

We have audited the financial statements of The North Halifax Grammar School Academy Trust (the 'Academy Trust') for the year ended 31st August 2017 which comprise of the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31st August 2017, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 20, the Trustees (who are also the Directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees;
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy Trust to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

First Floor, Rosemount House  
 Huddersfield Road  
 Elland  
 West Yorkshire  
 HX5 0EE

13th December 2017

# 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 and Skills Funding Agency

In accordance with the terms of our engagement letter dated 10 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 1 September 2016 to 31 August 2017 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 ESFA 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 ESFA 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 The North Halifax Grammar School Academy Trust and ESFA, 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 1 June 2011 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. 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 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- 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. To seek evidence of the tendering process for applicable purchases and evidence of quotes to allow 'value for money' decisions.
- The minutes of Governor and Committee meetings being reviewed with specific purpose to identify any restricted transactions and seek evidence of any items requiring Governor approval.

- Formal representations being sought from the Governing Body for any matters where direct evidence is not available.

## **Conclusion**

In the course of our work, other than those items reported on the Report to Those Charged with Governance, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....  
David A Roper BSc FCA CTA  
For and on behalf of Lambert Roper & Horsfield Limited, Chartered Accountants

First Floor, Rosemount House  
Huddersfield Road  
Elland  
West Yorkshire  
HX5 0EE

13 December 2017

# The North Halifax Grammar School Academy Trust

## Statement of Financial Activities for the year ended 31 August 2017

### (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	<b>Total 2017 £000</b>	Total 2016 £000
<b>Income and endowments from:</b>						
Donations and capital grants	3	24	321	2,391	<b>2,736</b>	3,063
Charitable activities:						
Funding for the academy trust's educational operations	4	30	5,136	-	<b>5,166</b>	5,205
Other trading activities	5	417	52	-	<b>469</b>	440
Investments	6	7	-	-	<b>7</b>	9
<b>Total</b>		<b>478</b>	<b>5,509</b>	<b>2,391</b>	<b>8,378</b>	<b>8,717</b>
<b>Expenditure on:</b>						
Raising funds	7	-	305	-	<b>305</b>	364
Charitable activities:						
Academy trust educational operations	8	-	5,739	382	<b>6,121</b>	6,052
<b>Total</b>		<b>-</b>	<b>6,044</b>	<b>382</b>	<b>6,426</b>	<b>6,416</b>
<b>Net income / (expenditure)</b>		<b>478</b>	<b>(535)</b>	<b>2,009</b>	<b>1,952</b>	<b>2,301</b>
<b>Transfers between funds</b>	17	<b>(417)</b>	<b>381</b>	<b>36</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains / (losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	17,26	-	804	-	<b>804</b>	<b>(1,005)</b>
<b>Net movement in funds</b>		<b>61</b>	<b>650</b>	<b>2,045</b>	<b>2,756</b>	<b>1,296</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		109	(753)	9,202	<b>8,558</b>	7,262
<b>Total funds carried forward</b>		<b>170</b>	<b>(103)</b>	<b>11,247</b>	<b>11,314</b>	<b>8,558</b>

# The North Halifax Grammar School Academy Trust

## Balance Sheet as at 31 August 2017

	Notes	2017 £000	2017 £000	2016 £000	2016 £000
<b>Fixed assets</b>					
Tangible assets	12		11,276		7,559
<b>Current assets</b>					
Stock	13	8		8	
Debtors	14	337		201	
Cash at bank and in hand		1,728		3,579	
		<u>2,073</u>		<u>3,788</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	<u>(648)</u>		<u>(945)</u>	
<b>Net current assets</b>			<u>1,425</u>		<u>2,843</u>
<b>Total assets less current liabilities</b>			<u>12,701</u>		<u>10,402</u>
Creditors: Amounts falling due after more than one year	16		<u>(303)</u>		<u>(159)</u>
<b>Net assets excluding pension liability</b>			<u>12,398</u>		<u>10,243</u>
Defined benefit pension scheme liability	26		<u>(1,084)</u>		<u>(1,685)</u>
<b>Total net assets</b>			<u>11,314</u>		<u>8,558</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
. Fixed asset fund	17	11,247		9,202	
. Restricted income fund	17	981		932	
. Pension reserve	17	<u>(1,084)</u>		<u>(1,685)</u>	
<b>Total restricted funds</b>			<u>11,150</u>		<u>8,449</u>
<b>Unrestricted income funds</b>	17		<u>170</u>		<u>109</u>
<b>Total funds</b>			<u>11,314</u>		<u>8,558</u>

The financial statements on pages 26 to 50 were approved by the Trustees and authorised for issue on 13<sup>th</sup> December 2017 and are signed on their behalf by

**Roger Hartley**  
Trustee

Company Registration Number 7628903

# The North Halifax Grammar School Academy Trust

## Statement of Cash Flows for the year ended 31 August 2017

	Notes	2017 £000	2016 £000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	21	(294)	631
<b>Cash flows from investing activities</b>	23	(1,701)	1,067
<b>Cash flows from financing activities</b>	22	144	71
<b>Change in cash and cash equivalents in the reporting period</b>		<b>(1,851)</b>	1,769
<b>Cash and cash equivalents at 1 September 2016</b>		3,579	1,810
<b>Cash and cash equivalents at 31 August 2017</b>	24	<b>1,728</b>	3,579

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017

### 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 (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by EFA, the Charities Act 2011 and the Companies Act 2006. 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 in full when there is unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017

### 1 Statement of accounting policies (continued)

- **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.

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017

### 1 Statement of accounting policies (continued)

#### 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.

#### Financial Instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment. Cash at bank – is classified as a basic financial instrument and is measured at face value.

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017

### 1 Statement of accounting policies (continued)

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### **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 26, 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.

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017

### 1 Statement of accounting policies (continued)

#### Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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 and Skills 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017(continued)

### 3 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Capital grants	-	2,391	2,391	2,647
Trips	1	283	284	346
Other donations	23	38	61	70
	<u>24</u>	<u>2,712</u>	<u>2,736</u>	<u>3,063</u>

### 4 Funding for the Academy Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
<b>DfE / EFA grants</b>				
. General Annual Grant (GAG)	-	5,003	5,003	5,059
. Other DfE/EFA grants	-	43	43	41
	<u>-</u>	<u>5,046</u>	<u>5,046</u>	<u>5,100</u>
<b>Other Government grants</b>				
. Local authority grants	-	-	-	3
. Special educational projects	-	12	12	15
	<u>-</u>	<u>12</u>	<u>12</u>	<u>18</u>
Other income from the Academy Trust's educational operations	30	78	108	87
	<u>30</u>	<u>5,136</u>	<u>5,166</u>	<u>5,205</u>

### 5 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Catering	417	-	417	404
Music	-	52	52	36
	<u>417</u>	<u>52</u>	<u>469</u>	<u>440</u>

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 6 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Short term deposits	7	-	7	9
	<u>7</u>	<u>-</u>	<u>7</u>	<u>9</u>

### 7 Expenditure

	Staff Costs £000	Non Pay Expenditure		Total 2017 £000	Total 2016 £000
		Premises £000	Other £000		
Expenditure on raising funds	-	-	305	305	364
Academy's educational operations:					
· Direct costs	3,613	382	465	4,460	4,481
· Allocated support costs	1,043	224	394	1,661	1,571
	<u>4,656</u>	<u>606</u>	<u>1,164</u>	<u>6,426</u>	<u>6,416</u>

Net income/(expenditure) for the period includes:

	2017 £000	2016 £000
Operating lease rentals	14	15
Depreciation	382	388
Fees payable to auditor for:		
- audit	8	8
- other services	<u>-</u>	<u>3</u>

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 8 Charitable activities

	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
<b>Direct costs – educational operations</b>	<b>4,460</b>	<b>4,481</b>
<b>Support costs – educational operations</b>	<b>1,661</b>	<b>1,571</b>
	<b>6,121</b>	<b>6,052</b>

<b>Analysis of support costs</b>	<b>Educational operations £000</b>	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Support staff costs	1,043	<b>1,043</b>	956
Technology costs	12	<b>12</b>	8
Premises costs	224	<b>224</b>	215
Other support costs	372	<b>372</b>	379
Governance costs	10	<b>10</b>	13
<b>Total support costs</b>	<b>1,661</b>	<b>1,661</b>	<b>1,571</b>

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 9 Staff

#### a. Staff costs

Staff costs during the period were:	Total 2017 £000	Total 2016 £000
Wages and salaries	3,549	3,507
Social security costs	336	296
Operating costs of defined benefit pension schemes	722	592
	<b>4,607</b>	<b>4,395</b>
Supply staff costs	49	109
Staff restructuring costs	-	28
	<b>4,656</b>	<b>4,532</b>
Staff restructuring costs comprise:		
Redundancy payments	-	28
	-	28

#### b. Staff numbers

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

	2017 No.	2016 No.
Teachers	61	60
Administration and support	65	65
Management	8	7
	<b>134</b>	<b>132</b>

#### c. Higher paid staff

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

	2017 No.	2016 No.
£60,001 - £70,000	3	3
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1

#### d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £556,000 (2016: £491,000).

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 10 Related Party Transactions – Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

A Fisher (Principal and Trustee):

Remuneration £80,001 - £90,000 (2016: £80,001 - £90,000)

Employer's pension contributions paid £10,000 - £15,000 (2016: £10,000 - £15,000)

S Jonas (nee Adams) (Staff Trustee):

Remuneration £40,001 - £50,000 (2016: £30,001 - £40,000)

Employer's pension contributions paid £1 - £10,000 (2016: £1 - £10,000)

V Harrison-Law (Staff Trustee):

Remuneration £30,001 - £40,000 (2016: £30,001 - £40,000)

Employer's pension contributions paid £1 - £10,000 (2016: £1 - £10,000)

During the period ended 31 August 2017, no travel and subsistence expenses were reimbursed or paid directly to Trustee (2016: nil).

### 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.

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 12 Tangible fixed assets

	Freehold Land and Buildings £000	Assets Under Construction £000	Furniture and Equipment £000	Computer Hardware £000	Motor Vehicles £000	<b>Total £000</b>
<b>Cost</b>						
At 1 September 2016	8,152	701	202	310	36	<b>9,401</b>
Additions	71	3,980	10	38	-	<b>4,099</b>
Transfers between categories	1,872	(1,872)	-	-	-	-
Disposals	-	-	-	(20)	-	<b>(20)</b>
At 31 August 2017	<b>10,095</b>	<b>2,809</b>	<b>212</b>	<b>328</b>	<b>36</b>	<b>13,480</b>
<b>Depreciation</b>						
At 1 September 2016	1,437	-	111	266	28	<b>1,842</b>
Charged in year	308	-	36	32	6	<b>382</b>
Disposals	-	-	-	(20)	-	<b>(20)</b>
At 31 August 2017	<b>1,745</b>	<b>-</b>	<b>147</b>	<b>278</b>	<b>34</b>	<b>2,204</b>
<b>Net book values</b>						
At 31 August 2016	6,715	701	91	44	8	7,559
At 31 August 2017	<b>8,350</b>	<b>2,809</b>	<b>65</b>	<b>50</b>	<b>2</b>	<b>11,276</b>

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 13 Stock

	2017 £000	2016 £000
Resources	6	5
Catering	2	3
	<u>8</u>	<u>8</u>

### 14 Debtors

	2017 £000	2016 £000
Trade debtors	-	11
VAT recoverable	149	71
Other debtors	-	-
Prepayments and accrued income	188	119
	<u>337</u>	<u>201</u>

### 15 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	3	5
SALIX loans	21	1
Other loans	7	27
Accruals	94	146
Other creditors	259	153
Capital creditors	154	445
Deferred income	110	168
	<u>648</u>	<u>945</u>

	2017 £000	2016 £000
<b>Deferred income</b>		
Deferred income at 1 September 2016	168	124
Released from previous years	(168)	(124)
Resources deferred in the year	110	168
Deferred Income at 31 August 2017	<u>110</u>	<u>168</u>

At the balance sheet date the Academy Trust was holding funds received in advance for dinner money, trips, music tuition and rate relief.

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 16 Creditors: amounts falling due in greater than one year

	2017 £000	2016 £000
CMBC loan	47	53
SALIX loans	25	20
EFA CIF loan	231	86
	<hr/> <b>303</b>	<hr/> 159

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 ESFA 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 ESFA as part of a third CIF funded project and the interest rate on this is 2.21% per annum. It has been assumed that the monthly repayments will start from December 2017 for ten years.

The amount due over five years is £160k (2016:£86k).

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 17 Funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	784	5,003	(5,415)	353	731
Pupil Premium	21	43	(44)	-	20
Loan reserve	(81)	-	-	28	(53)
Other restricted	208	463	(382)	-	289
Pension reserve	(1,685)	-	(203)	804	(1,084)
	<b>(753)</b>	<b>5,509</b>	<b>(6,044)</b>	<b>1,185</b>	<b>(103)</b>
<b>Restricted fixed asset funds</b>					
Assets donated on conversion	4,489	-	(257)	-	4,232
DfE/EFA capital grants	4,274	2,391	(66)	-	6,599
Capital expenditure from GAG	316	-	(43)	36	309
Other capital donations	123	-	(16)	-	107
	<b>9,202</b>	<b>2,391</b>	<b>(382)</b>	<b>36</b>	<b>11,247</b>
<b>Total restricted funds</b>	<b>8,449</b>	<b>7,900</b>	<b>(6,426)</b>	<b>1,221</b>	<b>11,144</b>
<b>Total unrestricted funds</b>	<b>109</b>	<b>478</b>	<b>-</b>	<b>(417)</b>	<b>170</b>
<b>Total funds</b>	<b>8,558</b>	<b>8,378</b>	<b>(6,426)</b>	<b>804</b>	<b>11,314</b>

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. 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.

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 expenditure from the fund was in relation to staff and resources costs applied for the benefit of the eligible pupils, as required by the terms of the funding.

The Loan Reserve represents loans taken out by the Foundation School which transferred to the Academy on conversion. The transfer relates to the gross repayments made in the year.

Other Restricted Funds - 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 North Halifax Grammar School Academy Trust**

## **Notes to the Financial Statements for the year ended 31 August 2017 (continued)**

### **17 Funds (continued)**

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

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. Fixed assets are also financed by loans.

### **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.

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.

The balance of fixed assets purchased in the year for which specific grants had not been received has been transferred to the Restricted Fixed Asset Fund from the Restricted General Fund (GAG).

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 18 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	11,276	11,276
Current assets	170	1,757	146	2,073
Current liabilities	-	(626)	(22)	(648)
Non-current liabilities	-	(150)	(153)	(303)
Pension scheme liability	-	(1,084)	-	(1,084)
<b>Total net assets</b>	<b>170</b>	<b>(103)</b>	<b>11,247</b>	<b>11,314</b>

### 19 Capital commitments

	2017 £000	2016 £000
Contracted for, but not provided in the financial statements	128	4,173

### 20 Commitments under operating leases

#### Operating leases

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £000	2015 £000
Amounts due within one year	22	13
Amounts due between one and five years	57	35
Amounts due after five years	1	-
	<b>80</b>	<b>48</b>

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

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

	2017 £000	2016 £000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,952	2,301
Adjusted for:		
Depreciation [note 12]	382	389
Capital grants from DfE and other capital income	(2,391)	(2,676)
Interest receivable [note 6]	(7)	(9)
Defined benefit pension scheme cost less contributions payable [note 26]	170	49
Defined benefit pension scheme finance cost [note 26]	33	21
(Increase)/decrease in stocks	-	(1)
(Increase)/decrease in debtors	(136)	(51)
Increase/(decrease) in creditors	(297)	608
<b>Net cash provided by / (used in) Operating Activities</b>	<b>(294)</b>	<b>631</b>

### 22 Cash flows from financing activities

	2017 £000	2016 £000
Repayments of borrowing	(27)	(26)
Cash inflows from new borrowing	171	97
<b>Net cash provided by / (used in) financing activities</b>	<b>144</b>	<b>71</b>

### 23 Cash flows from investing activities

	2017 £000	2016 £000
Dividends, interest and rents from investments	7	9
Proceeds from sale of tangible fixed assets	-	-
Purchase of tangible fixed assets	(4,099)	(1,618)
Capital grants from DfE/EFA	2,391	2,637
Capital funding received from sponsors and others	-	39
<b>Net cash provided by / (used in) investing activities</b>	<b>(1,701)</b>	<b>1,067</b>

### 24 Analysis of cash and cash equivalents

	At 31 August 2017 £000	At 31 August 2016 £000
Cash in hand and at bank	1,208	1,467
Notice deposits (less than 3 months)	520	2,112
<b>Total cash and cash equivalents</b>	<b>1,728</b>	<b>3,579</b>

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (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 schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

### Teachers' Pension Scheme

#### Introduction

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

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

#### Valuation of the Teachers' Pension Scheme

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:

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 26 Pension and similar obligations (continued)

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from April 2019.

The employer's pension costs paid to TPS in the period amounted to £387,693 (2016: £385,748).

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 2017 (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 2017 was £195,000 (2016: £185,000), of which employer's contributions totalled £139,000 (2016: £127,000) and employees' contributions totalled £56,000 (2016: £58,000). The agreed contribution rates for future years are 17 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.

<b>Principal actuarial assumptions</b>	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
Rate of increase in salaries	<b>3.25%</b>	3.40%
Rate of increase for pensions in payment/inflation	<b>2.00%</b>	1.90%
Discount rate for scheme liabilities	<b>2.50%</b>	2.00%
Inflation assumption (CPI)	<b>2.00%</b>	1.90%
Commutation of pensions to lump sums	<b>75.00%</b>	75.00%

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

	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
<i>Retiring today</i>		
Males	<b>22.1</b>	22.7
Females	<b>25.2</b>	25.6
<i>Retiring in 20 years</i>		
Males	<b>23.0</b>	24.9
Females	<b>27.0</b>	28.0
<b>Sensitivity analysis</b>	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	<b>4,261</b>	4,373
Discount rate -0.1%	<b>4,447</b>	4,569
Mortality assumption 1 year increase	<b>4,485</b>	4,612
Mortality assumption 1 year decrease	<b>4,222</b>	4,329
Pension increase rate +0.1%	<b>4,416</b>	4,533
Pension increase rate -0.1%	<b>4,291</b>	4,408
Salary increase rate +0.1%	<b>4,383</b>	4,505
Salary increase rate -0.1%	<b>4,323</b>	4,435

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 26 Pension and similar obligations (continued)

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	2,520	2,092
Government bonds	314	312
Corporate bonds	127	117
Property	147	134
Cash	49	39
Other	112	91
<b>Total market value of assets</b>	<b>3,269</b>	<b>2,785</b>

The actual return on scheme assets was £315,000 (2016: £431,000)

### Amount recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	(309)	(176)
Interest cost	(33)	(21)
Total operating charge	<b>(342)</b>	<b>(70)</b>

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

	2017 £000	2016 £000
<b>At 1 September</b>	<b>4,470</b>	<b>2,821</b>
Current service cost	309	176
Interest cost	90	108
Employee contributions	56	58
Actuarial (gain)/loss	(546)	1,349
Benefits paid	(26)	(42)
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>At 31 August</b>	<b>4,353</b>	<b>4,470</b>

# The North Halifax Grammar School Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 26 Pension and similar obligations (continued)

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

	2017 £000	2016 £000
<b>At 1 September</b>	<b>2,785</b>	2,211
Upon conversion	-	-
Interest income	57	87
Return on plan assets (excluding net interest on the net defined pension liability)	-	-
Actuarial gain/(loss)	258	344
Employer contributions	139	127
Employee contributions	56	58
Benefits paid	(26)	(42)
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>At 31 August</b>	<b>3,269</b>	2,785

### 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 £7,997 (2016: £396) during the period. There were no amounts outstanding at 31 August 2017 (2016: £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 2016.