

Company Registration No. 07465520 (England and Wales)

**WHITBURN CHURCH OF ENGLAND ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

WHITBURN CHURCH OF ENGLAND ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Governors	J Mulley (Chair) M Small (Vice Chair) H M Al Ajdiri C Alder S A Beech N Clougher C E J Craig (Resigned 4 October 2017) I D Fawdon A Hardie (Headteacher and Accounting Officer) C J Mason (Resigned 3 October 2017) B Morris T Mulford Rev K R Smith (Appointed 8 December 2017 and resigned 7 November 2017) A L Tobin
Members	Durham Diocesan Board of Finance The Bishop of Durham The Incumbent of the Parish of Whitburn J Mulley
Senior management team	
- Headteacher	A Hardie
- Head of School	D Smith
- Deputy Headteacher (resigned 31 May 2017)	D Taylor
- Deputy Headteacher	J Crowe
- Assistant Headteacher	C Shaw
- Assistant Headteacher	D Tenna
- Assistant Headteacher	N J Clougher
- Business Manager	D Lynn
Company secretary	P Cain (resigned 24 November 2016) C A Henderson (appointed 24 November 2016 and resigned 20 September 2017) G E Hodgson (appointed 21 September 2017)
Company registration number	07465520 (England and Wales)
Registered office	Rackly Way Whitburn Sunderland SR6 7EF
Independent auditor	RSM UK Audit LLP 1 St. James Gate Newcastle upon Tyne NE1 4AD

WHITBURN CHURCH OF ENGLAND ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

NatWest plc
Fawcett Street
Sunderland
Tyne & Wear
SR1 1SB

Solicitors

Gateshead Council Legal and Corporate Services
Regent Street
Gateshead
Tyne & Wear
NE8 1HH

WHITBURN CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy operates an academy for pupils aged 11 to 18 serving Whitburn and the surrounding area. It has a pupil capacity of 1,259 and had a roll of 1,173 in the school census on 18 May 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy.

The charitable company is known as Whitburn C of E Academy.

The governors are the trustees of Whitburn Church of England Academy and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

The academy has purchased insurance to protect the governors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 12.

Method of recruitment and appointment or election of governors

The majority of governors are either appointed by the members or elected through a process determined by the members. The Governing Body makes all necessary arrangement for the election or, if required, appointment of Parent Governors. The Local Authority may appoint the LA Governor. The Headteacher is an ex officio governor.

The governors, with the consent of the Diocesan Board of Education may appoint up to 2 Co-opted Governors for such a term not exceeding four years.

The term of office for any governor (other than co-opted) is four years, although this time limit does not apply to the Headteacher or the Incumbent. Any governor may be re-appointed or re-elected for a further term provided that he/she continues to meet the eligibility criteria.

Policies and procedures adopted for the induction and training of governors

The training and induction provided for new governors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new governors are given a tour of the academy and the chance to meet with staff and pupils. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only one or two new governors a year, induction tends to be done informally and is tailored specifically to the individual.

WHITBURN CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

Organisational structure

During the year the academy continued to operate a unified management structure. The structure consists of four levels: the Governors, the Senior Leadership Team, the Middle Management Team, and the Operations Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels

Governors - review the working of all sub committees. Meetings are convened by the Clerk to the Governors/Committee in consultation with the Chair of the committee and the Principal. An agenda is prepared by the Clerk to the Governors/Committee and distributed together with any supporting papers in accordance with current regulations. Minutes of all committee meetings are kept, including the names of those present. Minutes are taken by the Clerk to the Governors and are presented to the next appropriate meeting of the Governing Body. The Chair and Vice-Chair are elected at the first meeting of the committee following the annual review of committees.

Finance and Learning Environment Committee - draw up and approve each year the academy budget. They have responsibility for all matters relevant to the financial management of the academy, including the monitoring and review of the progress of the academy budget.

Senior Management Team - consists of the Principal, Head of School, Deputy Headteacher, 3 Assistant Headteachers, supported by the Business Manager, who control the academy finances at an executive level implementing the policies laid down by the governors and reporting back to them. This group is responsible for the authorisation of spending within agreed budgets and the appointment of staff for posts in the Senior Management Team, though appointment boards at this level will always contain governors. Some spending control is devolved to members of the Senior Leadership Team, with limits above which the Principal or Head of School, or an appropriate member of the SMT must countersign for.

Senior Leadership – the Senior Management Team are supported by a broader Senior Leadership Team which is comprised of the most senior middle leaders such as Head of Sixth Form and SENCO and make key decisions about teaching and learning.

Middle Management - consists of Heads of Subject who have responsibility for holding departmental budgets and Heads of Learning who have a pastoral and academic overview of their respective year groups.

Operations Management Team - includes the Senior Management Team, Data Manager, Office Manager, Network Manager and Senior Site Supervisor. Meetings are weekly to discuss all operational matters and review the performance of all events.

WHITBURN CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

Arrangements for setting pay and remuneration of key management personnel

Leadership Teacher Posts (Headteacher, Deputy and Assistant Headteachers)
Pay range for Principal (Individual School Range)

The Staffing Committee will determine the ISR for a Headteacher when it intends to make a new appointment or at any other time if it is considered necessary to retain the Headteacher. The ISR will be reviewed at each annual salary review on 1 September.

From September 2011 the Governing Body will regard the STPCD and consider setting the ISR within the group relevant to the academy's unit total. The Governing Body may award discretionary payments up to a maximum of 25% of the current salary point in the following circumstances;

- a. the academy is causing concern;
- b. without such additional payments the relevant body considers that the academy would have substantial difficulty filling the relevant Principal post;
- c. without such additional payments the relevant body considers that the academy would have substantial difficulty retaining the current Principal; or
- d. the Headteacher is appointed as a temporary Headteacher in one or more additional schools.

Pay ranges for Deputy and Assistant Headteachers

The Staffing Committee will determine the pay range for a Deputy Headteacher or Assistant Headteacher when it intends to make a new appointment or at any other time where there is a significant change in the responsibilities of the current postholder. The pay range will be reviewed at each annual salary review on 1 September.

The Headteacher Pay Range is: L35 – 41
The Head of School Pay Range is L24 - 28
The Deputy Headteacher Pay Range is: L19 - 23
The Assistant Headteacher Pay Range is: L14 – 18
The Directors, SENCO, Head of Sixth Form Pay Range is L9 – 13

The Governing Body will normally appoint new leadership teachers at the bottom point of the relevant range.

The Governing Body will pay teachers as a Headteacher, Deputy or Assistant Headteachers only where the Governing Body is satisfied that, in the context of the teacher's duties, the role includes a significant responsibility that is not required of all classroom teachers or TLR holders, and that the role:

- a) is focused on teaching and learning;
- b) requires the exercise of professional skills and judgement;
- c) requires the teacher to lead and manage the academy through:
 - development of teaching and learning priorities across the academy;
 - accountability for the standards of achievement and behaviour of pupils across the academy;
 - accountability for the planning and deployment of the academy's resources;
 - leading policy development and implementation across the academy in accordance with statutory provisions;
 - managing whole school operational activity;
 - working with external bodies and agencies; and
 - securing pupils' access to their educational entitlements;
- d) has an impact on educational progress of the school's pupils;
- e) involves leading, developing and enhancing the teaching practice of the school's staff; and
 - includes line management responsibility for a significant number of people and /or line management of

In the case of the Headteacher and Deputy Headteacher posts the Governing Body must also be satisfied that this significant responsibility features a job weight which exceeds that expected of an Assistant Headteacher employed in the same school, including responsibility for discharging in full the responsibilities of the Headteacher in the absence of the Headteacher.

WHITBURN CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

Related parties and co-operation with other organisations

The academy works closely with feeder primary schools in the area to ensure pupils benefit from a smooth transition into secondary education. The academy has been awarded teaching school status by NCTL.

There are no connected organisations, including related party relationships. Further details are provided in note 25.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal activity is the operation of Whitburn C of E Academy to provide free education for young people of all abilities, based on an inclusive, balanced and broad curriculum.

The principal object and activity of the charitable company is the operation of academy to provide education for students of different abilities between the ages of 11 and 18.

The Governing Body and staff of the academy are committed to providing an outstanding education, which will support children's particular needs and encourage development of their academic, social and intellectual understanding.

We strive to make our motto "Excellence for All" a reality in order that the young people of this academy are given the best possible opportunity to succeed in life.

We pride ourselves in nurturing confident, responsible, kind young people who are well equipped to take on the challenges of further education and employment and to achieve a fulfilling life.

The academy has a unique ethos, which encapsulates that which we seek to provide for our pupils. This is ingrained in our Ethos Statement and Whitburn Principles.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the academy during the year ended 31 August 2017 are summarised below:

Strategic Aim 1: Continue to ensure that we have outstanding pupil progress and achievement.

Strategic Aim 2: Gaps in achievement and progress between groups of pupils (especially disadvantaged pupils) and other pupils continue to close so that "Excellence for all" is achieved.

Strategic Aim 3: Assessment for Learning is used to maximise the impact of high quality teaching on pupil progress.

Strategic Aim 4: Recognising that staff are our most crucial resource, review staffing structures, CPD opportunities and promote staff wellbeing to ensure that our staff feel valued, have effective CPD, appropriate career development opportunities and our provision remains outstanding.

Strategic Aim 5: Further develop pupil voice and wellbeing.

Strategic Aim 6: Continue the development of the Sixth Form towards the outstanding provision we aspire to.

Strategic Aim 7: Continue to develop engagement with external partners to improve our provision.

WHITBURN CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

Public benefit

The academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The governors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the governors have considered this guidance in deciding what activities the academy should undertake.

STRATEGIC REPORT

Achievements and performance

Whitburn C of E Academy continues to be heavily oversubscribed for places in the Year 7. There were a total of 1,173 pupils and students on roll from September 2016.

Headlines

3 year mean values for GCSE key performance indicators:

- Attainment 8 = **56.1**
- Progress 8 = +0.28
- Basics (pass in both English and Maths at GCSE) = 80%
- EBacc passes = 27%

Sixth Form headlines (2017 represents first ever results for new Sixth Form provision):

- Average Points per entry: 32.3 (C+)
- % A*/A grades = 27%
- AAB in 2+ facilitating A levels = 22%
- A* - E grades = 95%

Pupil Attendance Data

KPI	2014-15	2015-16	2016-17
% Absence	3.7%	3.9%	3.8%
% Persistent Absence	N/A	7.7%	5.4%

Staffing/Finance Data HCSS

Key performance indicators

KPI	2012-13	2013-14	2014-15	2015-16	2016-17
Salary Costs to EFA Revenue Income (%)	87.64	88.61	91.29	89.31	88.00%
Salary Costs to Total Income (%)	80.13	80.52	80.27	79.04	83.00%
Salary Costs as % Total Expense	78.00	80.30	78.89	77.80	80.00%
FTE Teaching Staff	63.0	64.6	66.5	68.8	76.6
FTE Support Staff	41.0	40.8	43.5	43.3	34.2

Financial review

Going concern

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

WHITBURN CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

Principal funding

Most of the academy's income is obtained from the Department of Education (DfE) via 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 DfE/ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities SORP (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Other income is derived from catering and payments made by parents for music tuition, trips and uniform etc.

During the year ended 31 August 2017, total expenditure of £7,256,000 was in excess of recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £439,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academies objectives.

At 31 August 2017 the net book value of fixed assets was £15,625,000 and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £1,120,000 recognised on the balance sheet.

The academy held negative fund balances at 31 August 2017 of (£326,000) comprising (£326,000) of restricted funds and £nil of unrestricted funds.

Financial and risk management objectives and policies

The academy has developed a risk management strategy and has a risk register which includes the potential financial risks. As part of developing the register, key risks to which the Trust may be exposed were identified and reviewed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

Key financial policies have been adopted and reviewed throughout the year. These detail the framework for financial management, including financial responsibilities of the board, chief executive and budget holders, as well as outlining the authority for spending. Finances are reviewed each term by the finance and general purposes committee, evaluating performance against budgets and overall expenditure.

WHITBURN CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

Reserves policy

The academy holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- to provide funds which can be designated to specific areas such as to cover ongoing costs in relation to the running of the academy, including catering provisions, school trips, and uniform costs.

The level of reserves is reviewed by the governors regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy is reviewed by the governors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of £500,000.

This is considered sufficient to cover:

- a) future cash flow requirements and capital procurements; and
- b) protection so that it has the ability to adjust quickly to financial circumstances, such as large unbudgeted expenditure, cyclical maintenance and working capital.

The academy's current level of free reserves are in deficit by £326,000 and therefore are considered to be below the level of reserves required for the ongoing needs of the academy. This is partly due to the expenditure required to ensure adequate staffing for Sixth Form teaching whilst the Sixth Form is not yet up to full capacity due to it having only recently opened. This shortfall in funding will be partly resolved once the Sixth Form is fully established and in addition changes in the Sixth Form curriculum have allowed the academy to significantly reduce Sixth Form staffing for 2017-18. Further information regarding plans to rebuild reserves are included within note 1 - Going Concern.

Investment policy

The academy maintains funds in a current account with a sweeping arrangement giving a daily balance of £10,000 to provide for day to day operation; the remainder of funds are held in an interest bearing account.

Plans for future periods

In September 2016, the academy resolved to convert to a Multi Academy Trust status in sponsored by the Diocese of Durham. The purpose of conversion was primarily to set up a 'Wave 13' new secondary C of E Free School in an area of high demographic need. However, delays caused by the 2017 General Election has put the bid process back by 12 months and therefore the academy has not yet converted to MAT status. The academy is currently working with the Diocese of Durham to actively consider a range of possible options in relation to MAT status. All options here are aimed at improving the academy's financial position through achieving economies of scale, particularly through shared staffing costs.

Principal risks and uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/ESFA. In addition the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

The governors have assessed the major risks to which the academy is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the academy, and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy has fully implemented the requirements of the Safer Recruitment procedures and all staff have received training in this area in addition to training on Child Protection and keeping children safe in education.

WHITBURN CHURCH OF ENGLAND ACADEMY

GOVERNORS' REPORT (CONTINUED)

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

We are currently holding funds of £19,000 as part of our teaching school status, as the grant funding for 2016-17. A further grant of £40,000 will be awarded for 2017-18.

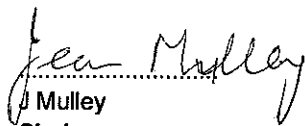
AUDITOR

RSM UK Audit LLP was appointed auditor to the charitable company on 20 June 2017. A resolution proposing re-appointment will be put to the members.

Statement as to disclosure of information to auditor

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

The Governors' Report is approved by order of the Governing Body and the strategic report (included therein) is approved by the governing body in their capacity as the directors at a meeting on ~~19/12/2017~~ and signed on its behalf by:


J Mulley
Chair

WHITBURN CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT

Scope of responsibility

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

The governing body has delegated the day-to-day responsibility to the head teacher, 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 Whitburn Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the statement of Governors' Responsibilities. The governing body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governors	Meetings attended	Out of possible
J Mulley (Chair)	3	4
M Small (Vice Chair)	4	4
H M Al Ajdiri	3	4
C Alder	3	4
S A Beech	4	4
N Clougher	4	4
C E J Craig (Resigned 4 October 2017)	4	4
I D Fawdon	4	4
A Hardie (Headteacher and Accounting Officer)	4	4
C J Mason (Resigned 3 October 2017)	2	4
B Morris	1	4
T Mulford	4	4
Rev K R Smith (Appointed 8 December 2017 and resigned 7 November 2017)	3	4
A L Tobin	4	4

The finance and learning committee is a sub-committee of the main governing body. Its purpose is to agree and monitor the management of the academy budget and the overall financial performance of the organisation and matters relating to the academy's premises.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
J Mulley (Chair)	4	4
M Small (Vice Chair)	3	4
S A Beech	4	4
N Clougher	4	4
C E J Craig (Resigned 4 October 2017)	1	4
I D Fawdon	3	4
A Hardie (Headteacher and Accounting Officer)	4	4
C J Mason (Resigned 3 October 2017)	0	0
B Morris	3	4
T Mulford	4	4
A L Tobin	4	4

WHITBURN CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

Improving educational results:

To ensure that standards are continually raised, the Academy:

- Operated a focus and developmental programme of lesson observations to ensure high quality teaching;
- Developed an updated target setting system to motivate pupils and to benchmark progress in relation to the new GCSE grading system;
- Tracked pupil progress at regular intervals to intervene if progress slowed;
- Regular revision sessions were held after school, during holiday periods and weekends; and
- Underachieving pupils were allocated a senior member of staff as a mentor.

Targeted improvement:

Staffing structure is deployed to support an improved curriculum. Some recent examples are:

- Extra staff were employed in English, Maths and Science, to enable small group support and intervention for Year 11 (NB this will not continue in 2017-18 due to staff cost savings);
- Pre and after school booster sessions were in place as well as 'master classes' during lessons' time in mathematics;
- Support staff who are trained in Read Write Inc programme provide sessions before and after school to meet the needs of pupils in Numeracy and Literacy, particular those on the SEN register or the Pupil Premium cohort; and
- Targeted support for Year 7 pupils who came to the school below national expectations in reading and/or maths was provided, in line with the Government's 'Year 7 catch up Premium'.

Focus on individual pupils:

The impact of the Pupil Premium funding has been to support and enhance our existing intervention strategies for pupils who would otherwise have been disadvantaged and has allowed them to experience the full range of opportunities offered. Some examples are:

- Year 7 Catch Up sessions (including all those pupils arriving at school at below expectations in reading and/or mathematics - funded through Year 7 Literacy and Numeracy Catch-Up Premium);
- Small group and one to one support using additional specialist Maths and English teaching staff, during lessons;
- Booster sessions in Maths and English before school and Master classes, during lessons;
- Lunchtime Numeracy and Literacy sessions delivered to year 8 and 9 pupils;
- Subsidising school trips;
- Support with uniform purchase;
- Purchasing lesson specific materials - e.g. Food Technology ingredients, Art materials, calculators, revision guides, texts;
- Personalised provision (Offsite/Vocational Learning);
- Personalised provision (Onsite/Bridge Centre);
- Financial assistance for additional Music tuition or purchase of musical equipment;
- Additional counselling (to address wellbeing and as a consequence help remove barriers to learning);
- Nurture group to support vulnerable pupils in the transition to secondary;
- Provisions on Kindles, laptops and internet access;
- Enabling through the contribution of extra funds the provision of whole school resources to support learning including MyMaths, GCSE PoD, Mathswatch and the Accelerated Reading programme; and
- Additional Careers guidance to address PP aspiration.

Whilst the Pupil Premium provides us with much needed additional funding, we always focus on the individual needs of pupils regardless of their background and devote appropriate resources to ensure that all pupils can achieve.

WHITBURN CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

Collaboration:

The school has Teaching School Status and our Head Teacher holds 'National Leader of Education' status this academic year. This enables the academy to play a leading role in the development of schools within the region. The trust has engaged with other educational providers and experts to share delivery or good practice, and to drive up standards for the least cost. The academy has provided direct support to four schools in the last three years and has been recognised as a National Support School for the impact of this work.

Financial governance and oversight:

As Accounting Officer I have 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 Clive Owen LLP and RSM Risk Assurance LLP taking on additional internal control audits;
- the work of the external auditor; and
- the work of the senior leaders within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

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

Better purchasing:

A register of all services and contracts has been developed and all contracts are appraised or renegotiated in a timely manner to get the best mix of quality and effectiveness. Three year contracts have been entered to ensure reduced cost where it was felt that this would benefit the Academy.

Options appraisal:

The Governors and Senior Management Team apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the school;
- the targeting of resources to best improve standards and the quality of provision;
- the use of resources to best support the various educational needs of all pupils; and
- the Academy has developed procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost.

Measures in place include:

- competitive tendering procedures;
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship); and
- procedures which minimise office time by the purchase of goods or services under £1000 direct from known, reliable suppliers (e.g. stationery, small equipment).

Better income generation:

The academy is in partnership with SchoolsPlus; an organisation that will market and generate income through the hire of the academy facilities. It renegotiated the contract to optimise income this year.

WHITBURN CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

Reviewing controls and managing risks:

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

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

The governors have reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governors are of the view that there is a formal on going process for identifying, evaluating and managing the academy trust's significant risks; this process will be regularly reviewed by the governors.

Our annual development plan sets out the strategies we will use to provide the best possible education for young people of all abilities, based on an inclusive, balanced and broad curriculum. On that basis we constantly review and refine our practice. An evaluation of the impact of the development plan always then informs the next year's plan.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Whitburn Church of England Academy for the period 1 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 Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 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 Governors.

The risk and control framework

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

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

WHITBURN CHURCH OF ENGLAND ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

The governing body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the governors have appointed the outgoing external auditor, Clive Owen LLP to perform additional checks.

In particular the checks carried out in the current period included:

- testing of payroll systems;
- testing of purchase systems;
- testing of petty cash/expenses procedures;
- testing of income;
- testing of the accounting systems and management information provided;
- review of governor appointments/resignations and declarations of interest;
- review of gifts and hospitality & honorarium/ex-gratia payments;
- review of information technology strategy;
- review of fixed assets; and
- review of VAT and corporation tax position.

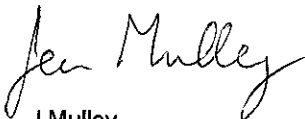
Review of effectiveness

As accounting officer the Head Teacher 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 outgoing auditor;
- the work of the external auditor;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and learning committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the governing body on 19.12.17 and signed on its behalf by:


J Mulley
Chair


A Hardie
Accounting Officer

WHITBURN CHURCH OF ENGLAND ACADEMY

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Whitburn Church of England Academy I have considered my responsibility to notify the academy governing body 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 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's governing body are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy'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 governing body and ESFA.

A Hardie
Accounting Officer



19 December 2017

WHITBURN CHURCH OF ENGLAND ACADEMY

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for Whitburn Church of England Academy and are also the directors of Whitburn Church of England Academy for the purposes of company law) are responsible for preparing the Governors' Report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued 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 governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of Whitburn Church of England Academy and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the governors are required to:

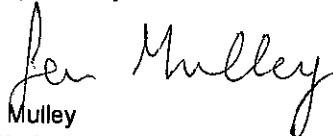
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The governors 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 governors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the governing body on 19.12.17 and signed on its behalf by:


J Mulley
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITBURN CHURCH OF ENGLAND ACADEMY

Opinion on financial statements

We have audited the financial statements of Whitburn Church of England Academy (the "academy trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with 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 charitable company 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.

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the financial statements, which indicates that the company incurred a net operational loss of £339,000 during the year ended 31 August 2017, and as of that date, the company's current liabilities exceeded its current assets by £326,000. As stated in note 1, these events or conditions, along with other matters as set forth in note 1, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. 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.

Opinion on other matter 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 Governors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITBURN CHURCH OF ENGLAND ACADEMY (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report and the incorporated Strategic 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 by the charitable company, 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the Statement of Governors' Responsibilities set out on page 17, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors 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 governors are responsible for assessing the charitable company'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 governors either intend to liquidate the charitable company 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

Lucy Robson

Lucy Robson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James Gate
Newcastle upon Tyne
NE1 4AD
.....2017.....

WHITBURN CHURCH OF ENGLAND ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2017 £'000	Total 2016 £'000 as restated
Income and endowments from:						
Donations and capital grants	4	9	-	35	44	58
Charitable activities:						
- Funding for educational operations	5	173	5,722	-	5,895	5,263
- Funding for teaching school	5	224	37	-	261	-
Other trading activities	6	157	-	-	157	872
Investments	7	1	-	-	1	2
Total		<u>564</u>	<u>5,759</u>	<u>35</u>	<u>6,358</u>	<u>6,195</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	290	6,221	494	7,005	6,877
- Teaching School	9	214	37	-	251	-
Total	8	<u>504</u>	<u>6,258</u>	<u>494</u>	<u>7,256</u>	<u>6,877</u>
Net income/(expenditure)		60	(499)	(459)	(898)	(682)
Transfers between funds		(54)	54	-	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	870	-	870	(1,180)
Net movement in funds		6	425	(459)	(28)	(1,862)
Reconciliation of funds						
Total funds brought forward		(6)	(1,871)	16,084	14,207	16,069
Total funds carried forward		<u>-</u>	<u>(1,446)</u>	<u>15,625</u>	<u>14,179</u>	<u>14,207</u>

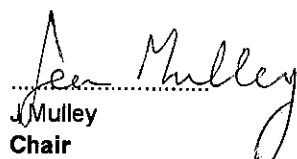
WHITBURN CHURCH OF ENGLAND ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017		2016 as restated	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		15,625		16,084
Current assets					
Stocks	14	2		2	
Debtors	15	202		291	
Cash at bank and in hand		104		123	
		<u>308</u>		<u>416</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(634)		(403)	
Net current (liabilities)/assets			<u>(326)</u>		<u>13</u>
Net assets excluding pension liability			<u>15,299</u>		<u>16,097</u>
Defined benefit pension scheme liability	24		(1,120)		(1,890)
Net assets			<u>14,179</u>		<u>14,207</u>
Funds of the academy:					
Restricted funds	19				
- Restricted fixed asset funds			15,625		16,084
- Restricted income funds			(326)		19
- Pension reserve			(1,120)		(1,890)
Total restricted funds			<u>14,179</u>		<u>14,213</u>
Unrestricted income funds	19		-		(6)
Total funds			<u>14,179</u>		<u>14,207</u>

The financial statements on pages 20 to 45 were approved by the governing body and authorised for issue on 19.12.17 and are signed on their behalf by:


 J. Mulley
 Chair

WHITBURN CHURCH OF ENGLAND ACADEMY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	£'000	2016 £'000	£'000
Cash flows from operating activities					
Net cash used in operating activities	22		(43)		(667)
Cash flows from investing activities					
Dividends, interest and rents from investments		1		2	
Capital grants from DfE and ESFA		35		234	
Capital funding from sponsors and others		-		29	
Purchase of tangible fixed assets		(12)		(134)	
Net cash provided by investing activities			24		131
Net decrease in cash and cash equivalents in the reporting period			(19)		(536)
Cash and cash equivalents at beginning of the year			123		659
Cash and cash equivalents at end of the year			104		123

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

General information

Whitburn Church of England Academy is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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

Basis of preparation

The financial statements of the academy have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The academy is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the academy.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

The governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation of the financial statements. The governors are of the view that the Academy has sufficient resources to continue in operational existence for the foreseeable future and thus they have continued to adopt the going concern basis of accounting in preparing the financial statements.

During the year the Academy incurred an operational deficit (excluding the impacts of activities within the fixed asset fund or defined benefit pension fund) of £339,000; resulting in deficit funds (excluding the pension deficit and fixed asset fund) of £326,000. The net current liabilities as at 31 August 2017 are £326,000 and cash balances are £104,000. This has largely resulted due to the opening of the sixth form in September 2015 whereby costs have been incurred over the past two years during the set-up phase, prior to it being at full capacity, with no corresponding start-up funding provided. With the publication of the first set of very successful A level results in 2017, credibility of provision has been established and recruitment in future years is expected to help the Sixth Form reach full capacity. The academy has also suffered from a year on year reduction in GAG funding for pupils in Years 7 to 11 through the phased elimination of the Educational Services Grant. Consequently, savings in staffing costs have been implemented from September 2017. Whilst the academy expected to operate a deficit budget for the year ended 31 August 2017 due to the opening of the new Sixth Form, the actual deficit was higher than forecast. A freeze on all non-essential expenditure has therefore been implemented and financial controls have been strengthened.

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

The draft financial forecast to 31 August 2018 prepared by the academy trust show that with the planned significant cuts to educational service costs the academy can meet its liabilities as they fall due. However, bank balances remain at a very low level and the overall working capital position is anticipated to remain in a similar position to that at 31 August 2017. With the expansion of the Sixth Form numbers in September 2017 (with associated lagged funding) and reduced staffing numbers the Trust is confident it will return to an in-year surplus for 2017/18. Changes to available funding and other cost saving measures through spending reductions and further staffing reviews are anticipated to improve the cumulative deficit and net current liability position in 2018/19 and beyond.

In making this assessment over going concern, the Governors acknowledge that there is a material uncertainty in relation to available cash balances in the period to December 2018, linking to forecast assumptions, a lack of available external funding and the low level of bank balances. Assumptions regarding quantum and timing have been made; regarding none core income levels, non-staff expenditure and supply staff costs. Additionally, it has been assumed that suppliers will continue to allow extended credit terms. Should these assumptions prove to be invalid then there is a risk regarding available cash balances, with which to make required payments to staff and key suppliers as these payments become due.

Income

All incoming resources are recognised when the academy 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an 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.

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 at fair value of the consideration received or receivable in the period it is receivable and to the extent the academy has provided the goods or services.

Interest receivable

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

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

These are costs incurred on the academy's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

Tangible fixed assets and depreciation

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. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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 that require 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.

With respect to the buildings from which the academy operates, these are legally owned by the Durham Diocesan Board of Finance. Whitburn Church of England Academy is able to use the buildings under the terms of a supplemental agreement. The supplemental agreement gives the right to use these buildings and the substance of the arrangement that this will be on an ongoing basis reflecting the historical arrangements in place therefore substantially all the risks and rewards of ownership have been transferred to the academy and the assets have been recognised within tangible fixed assets as long leasehold property. The buildings have been recognised at their fair value, which the trustees consider the depreciated replacement cost valuation undertaken by DTZ, on behalf of the Educational and Skills Funding Agency on conversion is a reasonable estimate. A prior period adjustment has been made in current year as set out in note 2.

Depreciation is provided on all tangible fixed assets other than land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Long leasehold property	2% straight line
Computer equipment	33% straight line
Fixtures and fittings	20% straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Financial instruments

The academy has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the academy becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets measured at fair value through the profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Stock

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving objects.

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

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

The LGPS is a funded scheme and the assets are held separately from those of the academy in separate 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 reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

Fund accounting

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

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.

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 and the Department for Education.

Agency arrangements

The academy acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy does not have control over the charitable application of the funds. The academy can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received and any balances held are disclosed in note 26.

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

Critical accounting judgement

Recognition of land and buildings

With respect to the buildings from which the academy operates, these are legally owned by the Durham Diocesan Board of Finance. Whitburn Church of England Academy is able to use the buildings under the terms of a supplemental lease agreement. A judgement is required as to whether to recognise the asset or treat it as an operating lease as an absence of a formal agreement. The assessment has been based on the substance of the arrangements including historical arrangements and understanding of legal owners intentions. As the risks and rewards of ownership have been transferred to the academy, the assets have been recognised within tangible fixed assets. The initial acquisition was recognised at depreciated replacement cost by DTZ, on behalf of the Education and Skills Funding Agency.

3 Prior period adjustment

		1 September 2015 £'000	31 August 2016 £'000
Reconciliation of funds	Notes		
Funds as previously reported		1,967	411
Adjustments arising:			
Recognition of land and buildings	(a)	14,102	13,796
Funds as restated		<u>16,069</u>	<u>14,207</u>

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

3 Prior period adjustment (Continued)

Reconciliation of net income/(expenditure) for the previous financial period	Notes	2016 £'000
Net expenditure as previously reported		(376)
Adjustments arising:		
Charitable activities - educational operations	(a)	(306)
Net expenditure as restated		<u>(682)</u>

Notes to restatement

(a) Recognition of land and buildings

With respect to the buildings from which the academy operates, these are legally owned by the Diocesan Board of Finance. Whitburn Church of England Academy is able to use the buildings under the terms of a supplemental lease agreement. The substance of the arrangement is such that Whitburn Church of England Academy is able to obtain future economic benefits from unrestricted use of the asset. As such, the buildings have been recognised as a fixed asset recorded at their fair value at the time of conversion which is treated as deemed cost. As the buildings were not included in the 2016 financial statement, a prior period adjustment has been reflected within the financial statements to recognise the asset from the date of the conversion to an academy. The affect of this on the comparative figures was an increase in opening reserves of £13,796k, an increase in expenditure of £306k for depreciation and an increase in tangible fixed assets of £13,796k.

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	35	35	49
Other donations	9	-	9	9
	<u>9</u>	<u>35</u>	<u>44</u>	<u>58</u>

The income from donations and capital grants was £44,000 (2016: £58,000) of which £9,000 was unrestricted (2016: £9,000) and £35,000 was restricted fixed assets (2016: £49,000).

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

5 Funding for the academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	5,489	5,489	5,038
Other DfE / ESFA grants	-	216	216	183
National College grants	-	6	6	19
	-	5,711	5,711	5,240
Other government grants				
Local authority grants	-	11	11	23
Teaching School income	224	37	261	-
Other incoming resources	173	-	173	-
	397	37	434	-
	397	5,759	6,156	5,263

The income from funding for educational operations was £6,156,000 (2016: £5,263,000) of which £397,000 was unrestricted (2016: £-) and £5,759,000 was restricted (2016: £5,263,000).

The Teaching School income includes £10,000 relating to the Academy's contribution from the Teaching School.

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Sundry income	153	-	153	219
Catering income	-	-	-	289
Uniform	4	-	4	4
School trips	-	-	-	90
Teaching school income	-	-	-	270
	157	-	157	872

The income from other trading activities was £157,000 (2016: £872,000) of which £157,000 was unrestricted (2016: £872,000).

Income relating to catering, school trips and teaching school income has been included in funding for the Academy's educational operations in 2017 in accordance with the Academies Accounts Direction.

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Interest from short term deposits	1	-	1	2

The income from funding for investment income was £1,000 (2016: £2,000) of which £1,000 was unrestricted (2016: £2,000).

8 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2017 £'000	Total 2016 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	4,549	471	390	5,410	5,041
- Allocated support costs	715	521	359	1,595	1,836
Teaching School					
- Direct costs	-	-	7	7	-
- Allocated support costs	-	-	244	244	-
Total support costs	5,264	992	1,000	7,256	6,877

Net income/(expenditure) for the year includes:

	2017 £'000	2016 £'000
Operating lease rentals	21	15
Depreciation of tangible fixed assets	471	489
Net interest on defined benefit pension liability	30	20
Fees payable to external auditor and its associates in respect of both audit and non-audit services are as follows:		
- Audit	11	11
- Other services	4	6

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	83	5,327	5,410	5,041
Direct costs - teaching school	-	7	7	-
Support costs - educational operations	207	1,388	1,595	1,836
Support costs - teaching school	214	30	244	-
	<u>504</u>	<u>6,752</u>	<u>7,256</u>	<u>6,877</u>

The expenditure on educational operations was £7,005,000 (2016: £6,877,000) of which £290,000 was unrestricted (2016: £686,000), £6,221,000 was restricted (2016: £5,702,000) and £494,000 was restricted fixed assets (2016: £489,000).

The expenditure on teaching school was £251,000 (2016: £270,000) of which £37,000 was restricted (2016: £nil) and £214,000 was unrestricted (2016: £270,000).

	2017 £'000	2016 £'000
Analysis of support costs		
Support staff costs	715	560
Depreciation and amortisation	-	183
Technology costs	53	44
Premises costs	521	498
Other support costs	481	459
Governance costs	69	92
	<u>1,839</u>	<u>1,836</u>

Depreciation has been included in direct costs in 2017 in accordance with the Academies Accounts Direction.

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Staff

Staff costs

Staff costs during the year were:

	2017 £'000	2016 £'000
Wages and salaries	4,002	3,746
Social security costs	405	320
Operating costs of defined benefit pension schemes	731	588
	<hr/>	<hr/>
Total staff costs	5,138	4,654
Supply staff costs	65	111
Staff restructuring costs	61	-
	<hr/>	<hr/>
	<u>5,264</u>	<u>4,765</u>

Staff restructuring costs comprises redundancy payments of £34,000 (2016: £nil) and severance payments of £27,000 (2016: £nil).

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £27,000 (2016: £nil). Individually, the payments were £27,000.

Staff numbers

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

	2017 Number	2016 Number
Teachers	74	65
Administration and support	59	66
Management	7	6
	<hr/>	<hr/>
	<u>140</u>	<u>137</u>

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

10 Staff (Continued)

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£100,001 - £110,000	1	1
	<u> </u>	<u> </u>

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

	2017 Number	2016 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	2	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £509,957 (2016: £400,000).

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

11 Governors' remuneration and expenses

One or more of the governors has been paid remuneration or has received other benefits from an employment with the academy. The Head Teacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff members under their contracts of employment, and not in respect of their services as governors.

The value of governors' remuneration was as follows:

		2017	2016
		£'000	£'000
A Hardie, Headteacher and Accounting Officer	Remuneration	104	103
	Pension contributions paid	17	16
N Clougher	Remuneration	50-55	45-50
	Pension contributions paid	5-10	5-10
T Mulford	Remuneration	40-45	40-45
	Pension contributions paid	5-10	5-10
C E J Craig	Remuneration	35-40	35-40
	Pension contributions paid	5-10	5-10

During the year ended 31 August 2017 no trustees (2016: nil) claimed expenses or had their expenses met by the academy.

12 Governors and officers insurance

In accordance with normal commercial practice, the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost for the year ended 31 August 2017 is included in the total insurance cost and therefore the cost can not be separately identified.

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

13 Tangible fixed assets

	Long leasehold property £'000	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 September 2016 (as restated)	17,281	482	604	18,367
Additions	5	5	2	12
At 31 August 2017	17,286	487	606	18,379
Depreciation				
At 1 September 2016 (as restated)	1,572	378	333	2,283
Charge for the year	346	55	70	471
At 31 August 2017	1,918	433	403	2,754
Net book value				
At 31 August 2017	15,368	54	203	15,625
At 31 August 2016 (as restated)	15,709	104	271	16,084

14 Stocks

	2017 £'000	2016 £'000
Clothing, catering supplies and stationery	2	2

15 Debtors

	2017 £'000	2016 £'000
Trade debtors	43	92
VAT recoverable	27	30
Other debtors	-	1
Prepayments and accrued income	132	168
	202	291

16 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	307	53
Other taxation and social security	105	99
Other creditors	93	90
Accruals and deferred income (see note 17)	129	161
	634	403

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Deferred income	2017	2016
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	86	71
	<u>86</u>	<u>71</u>
Deferred income at 1 September 2016	71	95
Released from previous years	(71)	(95)
Amounts deferred in the year	86	71
	<u>86</u>	<u>71</u>
Deferred income at 31 August 2017	86	71
	<u>86</u>	<u>71</u>

At the reporting date the academy was holding funds received in advance for teaching school grants and school trips.

18 Financial instruments	2017	2016
	£'000	£'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	84	148
	<u>84</u>	<u>148</u>
Carrying amount of financial liabilities		
Measured at amortised cost	442	233
	<u>442</u>	<u>233</u>

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Funds

	Balance at 1 September 2016 as restated £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant	-	5,489	(5,869)	54	(326)
Other DfE / ESFA grants	19	222	(241)	-	-
Other government grants	-	11	(11)	-	-
Teaching School	-	37	(37)	-	-
Pension reserve	(1,890)	-	(100)	870	(1,120)
	<u>(1,871)</u>	<u>5,759</u>	<u>(6,258)</u>	<u>924</u>	<u>(1,446)</u>
Restricted fixed asset funds					
Transferred on conversion	13,796	-	(307)	-	13,489
DfE / ESFA capital grants	298	35	(117)	-	216
Capital expenditure from GAG	115	-	(26)	-	89
Wolfson Fund	27	-	(6)	-	21
Capital Maintenance Fund	1,848	-	(38)	-	1,810
	<u>16,084</u>	<u>35</u>	<u>(494)</u>	<u>-</u>	<u>15,625</u>
Total restricted funds	<u>14,213</u>	<u>5,794</u>	<u>(6,752)</u>	<u>924</u>	<u>14,179</u>
Unrestricted funds					
General funds	(6)	340	(290)	(44)	-
Teaching School	-	224	(214)	(10)	-
	<u>(6)</u>	<u>564</u>	<u>(504)</u>	<u>(54)</u>	<u>-</u>
Total funds	<u>14,207</u>	<u>6,358</u>	<u>(7,256)</u>	<u>870</u>	<u>14,179</u>

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Funds (Continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the academy, including salaries and related costs, overheads, repairs and maintenance and insurance. Under the funding agreement with the Secretary of the State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ESFA grants includes:

- Pupil Premium funding which is to be spent as the academy sees fit to support deprived students;
- Rates relief funding which is to be used against the costs of rates
- Summer School funding aimed at assisting disadvantaged children with transition from primary school to secondary school; and
- Year 7 Catch Up grant which is to be used for the educational benefit of pupils registered at the school.

Other government grants relates to Special Education Needs funding and Looked After Children funding which is to provide cover for the costs of supporting students with additional learning requirements.

Teaching School grants include National College for Training and Leadership funding to assist in gaining teaching school status.

The restricted fixed asset funds represents monies received to purchase fixed assets. Depreciation is charged against the fund over the useful life of the associated assets.

The academy is addressing the deficit in GAG funding through the following actions:

- Significant staffing cost reductions for 2017-18 achieved through redundancy, not renewing temporary contracts and granting of part-time working requests. Curriculum review to establish further cost savings for all future years.
- A freeze on all non-essential expenditure.
- Centralisation of all subject capitation spending with a significant reduction in total amount.
- Increasing fund raising e.g. through the creation of the School Annual Funding.
- Improved marketing of Sixth Form provision to reach capacity sooner.
- Increased PAN for Years 7 to 11 from September 2017 which will increase GAG funding.
- Use Teaching School status and National Support School status to bid for additional grant funding.
- Convert to a Multi Academy Trust to achieve greater economies of scale.

Unrestricted funds include the income from catering, school trips and other sundry income streams with the relevant costs allocated accordingly.

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 24.

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Funds (Continued)

Funds prior year

	Balance at 1 September 2015 as restated £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 as restated £'000
Restricted general funds					
General Annual Grant	-	5,038	(5,450)	412	-
Other DfE / ESFA grants	56	202	(239)	-	19
Other government grants	-	23	(23)	-	-
Pension reserve	(720)	-	10	(1,180)	(1,890)
	<u>(664)</u>	<u>5,263</u>	<u>(5,702)</u>	<u>(768)</u>	<u>(1,871)</u>
Restricted fixed asset funds					
Transferred on conversion	14,118	-	(17)	-	14,101
DfE / ESFA capital grants	385	20	(412)	-	(7)
Capital expenditure from GAG	51	-	(20)	84	115
Wolfson Fund	-	29	(2)	-	27
Capital Maintenance Fund	1,886	-	(38)	-	1,848
	<u>16,440</u>	<u>49</u>	<u>(489)</u>	<u>84</u>	<u>16,084</u>
Total restricted funds	<u>15,776</u>	<u>5,312</u>	<u>(6,191)</u>	<u>(684)</u>	<u>14,213</u>
Unrestricted funds					
General funds	<u>293</u>	<u>883</u>	<u>(686)</u>	<u>(496)</u>	<u>(6)</u>
Total funds	<u>16,069</u>	<u>6,195</u>	<u>(6,877)</u>	<u>(1,180)</u>	<u>14,207</u>

20 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	15,625	15,625
Current assets	39	269	-	308
Creditors falling due within one year	(39)	(595)	-	(634)
Defined benefit pension scheme liability	-	(1,120)	-	(1,120)
Total net assets	<u>-</u>	<u>(1,446)</u>	<u>15,625</u>	<u>14,179</u>

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Analysis of net assets between funds (Continued)

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2016 (as restated) are represented by:				
Tangible fixed assets	-	-	16,084	16,084
Current assets	397	19	-	416
Creditors falling due within one year	(403)	-	-	(403)
Defined benefit pension scheme liability	-	(1,890)	-	(1,890)
Total net assets	<u>(6)</u>	<u>(1,871)</u>	<u>16,084</u>	<u>14,207</u>

21 Commitments under operating leases

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

	2017 £'000	2016 £'000
Amounts due within one year	18	21
Amounts due between one and five years	9	30
	<u>27</u>	<u>51</u>

22 Reconciliation of net expenditure to net cash flow from operating activities

	2017 £'000	2016 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(898)	(682)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(35)	(49)
Interest receivable	(1)	(2)
Defined benefit pension scheme cost less contributions payable	70	(30)
Defined benefit pension scheme finance cost	30	20
Depreciation of tangible fixed assets	471	489
Movements in working capital:		
(Increase)/decrease in stocks	-	8
Decrease/(increase) in debtors	89	(79)
Increase/(decrease) in creditors	231	(342)
Net cash used in operating activities	<u>(43)</u>	<u>(667)</u>

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

23 Members' liability

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

24 Pension and similar obligations

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

Contributions amounting to £80,000 (2016: £80,000) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

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.

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 in June 2014.

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

24 Pension and similar obligations (Continued)

The employer's pension costs paid to the TPS in the period amounted to £511,000 (2016: £433,000).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15.6% for employers and 5.5 - 8.5% for employees.

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

Total contributions made	2017	2016
	£'000	£'000
Employer's contributions	150	180
Employees' contributions	30	40
Total contributions	<u>180</u>	<u>220</u>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2017 by a qualified independent actuary.

	2017	2016
	%	%
Rate of increases in salaries	3.4	3.4
Rate of increase for pensions in payment/inflation	1.9	1.9
Discount rate for scheme liabilities	2.5	2
Inflation assumption (CPI)	1.9	1.9
	<u> </u>	<u> </u>

The assumed life expectations on retirement age 65 are:

	2017	2016
	Years	Years
Retiring today		
- Males	22.8	23.2
- Females	26.3	24.8
Retiring in 20 years		
- Males	25.0	25.3
- Females	28.6	27.1
	<u> </u>	<u> </u>

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

24 Pension and similar obligations (Continued)

The academy's share of the assets in the scheme	2017 Fair value £'000	2016 Fair value £'000
Equities	2,221	1,876
Government bonds	131	108
Corporate bonds	386	325
Cash	131	85
Property	302	283
Other assets	189	153
Total fair value of assets	<u>3,360</u>	<u>2,830</u>

The actual return on scheme assets was £450,000 (2016: £420,000).

Amount recognised in the statement of financial activities	2017 £'000	2016 £'000
Current service cost	220	150
Net interest cost	30	20
Total operating charge	<u>250</u>	<u>170</u>

Changes in the present value of defined benefit obligations	2017 £'000
At 1 September 2016	4,720
Current service cost	220
Interest cost	90
Employee contributions	30
Actuarial gain	(480)
Benefits paid	(100)
At 31 August 2017	<u>4,480</u>

WHITBURN CHURCH OF ENGLAND ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

24 Pension and similar obligations (Continued)

Changes in the fair value of the academy's share of scheme assets	2017 £'000
At 1 September 2016	2,830
Interest income	60
Return on plan assets (excluding net interest on the net defined pension liability)	390
Employer contributions	150
Employee contributions	30
Benefits paid	(100)
At 31 August 2017	<u>3,360</u>

25 Related party transactions

The following related party transaction took place in the period of account:

Diocese of Durham

During the year, the academy recognised income of £40,000 (2016: £nil) from the Diocese. There were £nil amounts outstanding at the year end.

Governors' remuneration and expenses are disclosed in note 11.

In entering into these transactions, the academy has complied with the requirements of the Academies Financial Handbook 2016.

26 Agency arrangements

The academy distributes 16-19 Bursary Funds as an agent for the ESFA. In the accounting period ending 31 August 2017, the academy received £22,000 and disbursed £22,000.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WHITBURN CHURCH OF ENGLAND ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 20 June 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2016 to 2017, to obtain limited assurance about whether the expenditure disbursed and income received by Whitburn Church of England Academy 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.

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

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2016 to 2017 Part 9: Regularity Reporting. We are independent of Whitburn Church of England Academy in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Whitburn Church of England Academy's accounting officer and governors

The accounting officer is responsible, under the requirements of Whitburn Church of England Academy's funding agreement with the Secretary of State for Education dated 20 December 2010 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Whitburn Church of England Academy and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO WHITBURN CHURCH OF ENGLAND ACADEMY AND THE
EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2016 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2016 to 2017.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

This report is made solely to Whitburn Church of England Academy and the ESFA in accordance with the terms of our engagement letter dated 20 June 2017. Our work has been undertaken so that we might state to the Whitburn Church of England Academy and the 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 Whitburn Church of England Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

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Dated:20/12/17
