

**Registered number: 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 2016**

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**CONTENTS**

	Page
<b>Reference and administrative details of the academy, its members, governors and advisors</b>	1 - 2
<b>Governors' report</b>	3 - 18
<b>Governance statement</b>	19 - 23
<b>Statement on regularity, propriety and compliance</b>	24
<b>Statement of Governors' responsibilities</b>	25
<b>Independent auditors' report on the financial statements</b>	26 - 27
<b>Independent auditors' assurance report on regularity</b>	28 - 29
<b>Statement of financial activities incorporating income and expenditure account</b>	30
<b>Balance sheet</b>	31
<b>Statement of cash flows</b>	32
<b>Notes to the financial statements</b>	33 - 52

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Members**

Durham Diocesan Board of Finance  
The Bishop of Durham  
The Incumbent of the Parish of Whitburn

**Governors**

J Mulley, Chair<sup>1</sup>  
M Small, Vice Chair<sup>1</sup>  
H M Al Ajdiri  
C Alder  
S A Beech<sup>1</sup>  
N Clougher<sup>1</sup>  
C E J Craig (appointed 13 November 2015)<sup>1</sup>  
I D Fawdon<sup>1</sup>  
M J Hamilton (resigned 5 July 2016)<sup>1</sup>  
A Hardie, Headteacher & Accounting Officer<sup>1</sup>  
C J Mason<sup>1</sup>  
B Morris<sup>1</sup>  
T Mulford<sup>1</sup>  
Rev K R Smith  
A L Tobin (appointed 15 December 2015)<sup>1</sup>

<sup>1</sup> Members of Finance and Learning Committee

**Company registered number**

07465520

**Company name**

Whitburn Church of England Academy

**Principal and registered office**

Rackly Way  
Whitburn  
Sunderland  
Tyne and Wear  
SR6 7EF

**Company secretary**

P Cain

**Senior leadership team**

A Hardie, Headteacher  
D Smith, Deputy Headteacher  
D Taylor, Deputy Headteacher  
T Gibson, Deputy Headteacher (resigned 31 March 2016)  
J Crowe, Assistant Headteacher  
C Shaw, Assistant Headteacher  
C Asoni, Executive Business Manager (resigned 31 March 2016)  
D Lynn, Business Manager

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, GOVERNORS AND  
ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Independent auditors**

Clive Owen LLP  
Chartered Accountants  
Statutory Auditors  
140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

**Bankers**

NatWest plc  
52 Fawcett Street  
Sunderland  
Tyne and Wear  
SR1 1SB

**Solicitors**

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

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

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

The trust operates an academy for pupils aged 11 to 18 serving Whitburn and the surrounding area. It has a pupil capacity of 1,115 and had a roll of 1,081 in the school census on 19 May 2016.

## **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 the 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 2016 are summarised below:-

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Objectives, strategies and activities**

Strategic Aim 1: Continue to ensure that we have outstanding pupil progress and achievement.			
Actions to achieve aim	Success criteria	Milestones	Monitoring and evaluation
Continue to place key focus on pupil progress	<ul style="list-style-type: none"> <li>Average levels of progress from KS2 for Year 11 pupils is above 3 in all subjects and proportion of pupils making 4 levels of progress increases relative to 2015</li> <li>All CAU elements are completed to at least the minimum expected grade where possible.</li> <li>Go4Schools and SISRA Analytics tracking data shows pupils are on track towards their individual minimum expected targets.</li> <li>School Review mechanisms show evidence of inclusive high quality teaching and learning.</li> </ul>	<ul style="list-style-type: none"> <li>GCSE subject reviews identify key focus areas Oct 2015</li> <li>Pupil progress appraisal target for all teachers Oct 2015</li> <li>More detailed 'Raise online' style analysis of mock exam data identifies gaps</li> <li>Additional CAU opportunities to those pupils needing it completed by February 2016</li> <li>Pupil progress discussed during link SMT kit meetings and at Subject and Faculty Board</li> <li>Subject Review Action Points relevant to Year 11 are acted upon (Oct &amp; Feb)</li> </ul>	<ul style="list-style-type: none"> <li>Use data to identify pupils requiring additional departmental intervention and ensure attendance at Faculty Intervention night.</li> <li>Analyse mock examination data to establish focus for individual improvement – communicate this to pupils and parents (RAP meetings, full report and parents evening).</li> <li>Revision / Intervention night attendance record kept and monitored – non-attenders followed up and liaison with home as needed.</li> </ul>
Achieve greater consistency in matching work to all pupils' abilities to allow for effective differentiation.	<ul style="list-style-type: none"> <li>There is an appropriate level of challenge for all pupils, regardless of their starting point.</li> <li>Impact is evident from lesson observations that differentiation is used effectively to support pupils and close learning gaps.</li> </ul>	<ul style="list-style-type: none"> <li>Planning sampling and School Review lesson plans identify and address the challenges facing all learners and delivers appropriately differentiated teaching and learning.</li> </ul>	<ul style="list-style-type: none"> <li>Planning sampling and School Review lesson observations (updated sampling sheet should, over time, reduce the need for specific work trawls)</li> </ul>

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

<p>Ensure that each department is fully prepared for curriculum change at KS3, GCSE and A level (as appropriate)</p>	<ul style="list-style-type: none"> <li>• Departmental CPD time devoted to preparing for curriculum and specification changes e.g. removal of CAUs.</li> <li>• Ensure that there is a strong focus on the development of literacy and numeracy within schemes of work.</li> </ul>	<ul style="list-style-type: none"> <li>• There is a clear department plan to accommodate key curriculum changes</li> <li>• Appropriate CPD is planned and delivered</li> <li>• Schemes of work updated</li> <li>• New style assessments in place</li> </ul>	<ul style="list-style-type: none"> <li>• CPD plans submitted to CS for scrutiny.</li> <li>• Focus of Subject Board meeting – regular progress reviews.</li> </ul>
<p>Develop Year 7 to 9 homework so that it makes a more significant contribution to pupil progress and attainment</p>	<ul style="list-style-type: none"> <li>• Continue to develop the effectiveness of literacy and numeracy strategies to ensure they are embedded and used consistently throughout the curriculum.</li> </ul>	<ul style="list-style-type: none"> <li>• Proposal taken to Subject Board Jan 2016.</li> <li>• Planning during spring term.</li> <li>• Share plans with Governors, pupils, parents and carers during summer term.</li> <li>• Resources available for parents online.</li> </ul>	<ul style="list-style-type: none"> <li>• Subject Board</li> <li>• Governors' Policy and Standards meetings</li> </ul>
<p>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.</p>			
<p>Actions to achieve aim</p>	<p>Success criteria</p>	<p>Milestones</p>	<p>Monitoring and evaluation</p>
<p>Regular monitoring of data allows for early identification of any gaps and leads to appropriate intervention for defined groups of pupils e.g. Pupil Premium, low KS2, SEN, etc.</p>	<ul style="list-style-type: none"> <li>• HoS and HoL are aware of any gaps and put appropriate intervention in place to close the gaps</li> <li>• The impact of the intervention is closely monitored</li> <li>• Actions in place lead to closing of the gaps</li> <li>• Rapid closing of gaps during KS3 matches the success in closing gaps during KS4</li> </ul>	<ul style="list-style-type: none"> <li>• AH/NC to review data provided to HoS &amp; HoL in light of move to SISRA analytics.</li> <li>• Training to be provided for SISRA analytics</li> <li>• Share best practice from action research, national reports, etc. with middle leaders.</li> <li>• Impact of bespoke interventions are evaluated for impact.</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of data at each data capture point.</li> <li>• Summary of progress and attainment for sub-groups.</li> <li>• Focus of HoF/SMT link KIT meetings</li> </ul>

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

Review SEN provision in light of the significant increase in administration required by the new code of practice.	<ul style="list-style-type: none"> <li>• SENCO role becomes manageable in light of new code</li> <li>• Closing of gaps for SEN pupils</li> </ul>	<ul style="list-style-type: none"> <li>• Teaching allocation for SENCO to be considered as part of a wider staffing review</li> </ul>	<ul style="list-style-type: none"> <li>• DS KIT meetings with SENCO</li> <li>• SMT meetings</li> </ul>
Review the time allocated for morning registration	<ul style="list-style-type: none"> <li>• Registration becomes a more effective opportunity for pupil intervention e.g. booster sessions, SLT mentoring, etc.</li> <li>• The crucial role of the form tutor as 'learning' mentor is enhanced</li> <li>• The assembly programme causes less disruption to lesson time</li> </ul>	<ul style="list-style-type: none"> <li>• Proposal taken to Subject Board Jan 2016.</li> <li>• Discussions with staff during spring term</li> <li>• Share plans with Governors, pupils, parents and carers during summer term</li> </ul>	<ul style="list-style-type: none"> <li>• Subject Board</li> <li>• SMT meetings</li> </ul>
Strategic Aim 3: Assessment for Learning is used to maximise the impact of high quality teaching on pupil progress			
<b>Actions to achieve aim</b>	<b>Success criteria</b>	<b>Milestones</b>	<b>Monitoring and evaluation</b>
A new common assessment system based on the new GCSE grades is developed for Years 7 to 11 to support full implementation by September 2016	<ul style="list-style-type: none"> <li>• A new assessment system is created which acts as a tool to support assessment for learning in all subjects.</li> <li>• An absolute 'learning ladder' system is created for the assessment objectives in each subject.</li> <li>• The descriptors are easily understood by staff, pupils and parents/carers so that they know where they are and what they need to do in order to make progress.</li> <li>• System promotes assessment for learning</li> </ul>	<ul style="list-style-type: none"> <li>• Concept shared at Faculty and Subject Boards Autumn 2015</li> <li>• AH to create a model system to share with HoS at Subject Board on 1/2/16</li> <li>• HoS to use this to create subject criteria and learning ladders for Subject Board on 14/3/16</li> <li>• Testing on pupils and parents/carers during summer first half-term e.g. Junior Leadership Team and Parent and Carer Forum.</li> <li>• System finalised by Subject Board on 20/6/16</li> </ul>	<ul style="list-style-type: none"> <li>• Regular focus at Subject Board Meeting.</li> <li>• SMT, SLT and Governing Body Meetings</li> <li>• Feedback from Junior Leadership Team and House Councils</li> <li>• Feedback from Parent and Carers Forum</li> </ul>



**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

<p>Continue improvements in the effective use of formative feedback to maximise impact on pupil progress</p>	<ul style="list-style-type: none"> <li>Build on significant improvement from 2014-15 so greater consistency helps pupils make even more rapid progress, particularly during KS3.</li> <li>Teachers give written and verbal formative and summative feedback to each pupil on how to improve, as per the QS for marking and feedback</li> </ul>	<ul style="list-style-type: none"> <li>Departmental meetings focus on effective marking and feedback and best practice shared</li> <li>Focus of appraisal targets where appropriate.</li> <li>Feedback from pupils in Kirkland Rowell survey shows that they value the impact it has on their learning.</li> </ul>	<ul style="list-style-type: none"> <li>Departmental meeting and School Review records</li> <li>Scrutiny of work, during observation(s) and departmental work monitoring</li> <li>Evidence from teacher assessment (internally moderated) shows pupils are making learning gains by acting on quality feedback</li> </ul>
<p>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</p>			
<p><b>Actions to achieve aim</b></p>	<p><b>Success criteria</b></p>	<p><b>Milestones</b></p>	<p><b>Monitoring and evaluation</b></p>
<p>Staff wellbeing becomes a clear focus in CPD</p>	<ul style="list-style-type: none"> <li>Improvement in staff wellbeing evident in staff survey results</li> <li>Wellbeing is clear focus for CPD and Staff Forum</li> </ul>	<ul style="list-style-type: none"> <li>Conduct baseline survey and develop action plan.</li> <li>Wellbeing focus for summer CPD, supported by external providers</li> </ul>	<ul style="list-style-type: none"> <li>SLT meetings</li> <li>Kirkland Rowell Survey</li> <li>Staff Forum</li> </ul>

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

<p>Bespoke CPD that focuses on outstanding teaching and learning is further developed in line with key whole school focus areas</p>	<ul style="list-style-type: none"> <li>Appraisal training plans show link between areas for improvement and bespoke CPD needs.</li> <li>Colleagues take greater responsibility for their own professional development.</li> <li>Lesson observations show demonstrable progress towards T&amp;L developmental areas</li> <li>Effective use of development time with colleagues throughout the year to ensure own CPD needs met</li> </ul>	<ul style="list-style-type: none"> <li>Bespoke CPD to develop Teaching and Learning</li> <li>Evidence of impact of bespoke CPD to be included by HoS in departmental review for Spring Term</li> <li>Investigate external accreditation for Whitburn CPD programme.</li> <li>UPS3 staff lead CPD sessions and coach others</li> <li>Increase in pupils making 4 levels of progress</li> </ul>	<ul style="list-style-type: none"> <li>Use of Bluesky to track and evaluate CPD outcomes for personal and academy development priorities.</li> <li>Monitor and review use of individual CPD time.</li> <li>Staff evaluation for CPD sessions to be collated and reviewed each term and presented to SMT &amp; Governors.</li> <li>Evidence of impact via Faculty and Subject meeting records.</li> </ul>
<p>Use the Teaching School Alliance to source and deliver a range of training events appropriate to staff needs.</p>	<ul style="list-style-type: none"> <li>A range of appropriate training events is offered through PBTSA</li> <li>Staff complete training, share learning and lead on agreed whole school developments</li> </ul>	<ul style="list-style-type: none"> <li>Sourcing of CPD and plan for delivery (Jan 2016)</li> <li>Training delivered by July 2016</li> </ul>	<ul style="list-style-type: none"> <li>Evaluations from training events</li> <li>Evidence from School Review</li> <li>HoL/SENCO, Subject &amp; Faculty Board meetings</li> </ul>
<p>Review the teaching and support staff structures in light of changes in accountability and the addition of Sixth Form provision.</p>	<ul style="list-style-type: none"> <li>Staffing structures more accurately reflect the accountability framework, line management requirements and the addition of the Sixth Form.</li> </ul>	<ul style="list-style-type: none"> <li>Review undertaken during spring term 2016 with support from HR</li> <li>Staff consultation during spring term</li> <li>Structures in place for September 2016</li> </ul>	<ul style="list-style-type: none"> <li>SMT and Governing Body Meetings</li> </ul>
<p><b>Strategic Aim 5: Further develop pupil voice and wellbeing</b></p>			
<p><b>Actions to achieve aim</b></p>	<p><b>Success criteria</b></p>	<p><b>Milestones</b></p>	<p><b>Monitoring and evaluation</b></p>

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

Create a Junior Leadership Team as more effective forum for pupil voice	<ul style="list-style-type: none"> <li>Pupils/Students have a more proactive role in school improvement</li> <li>The role of democracy as a key British value is reinforced</li> </ul>	<ul style="list-style-type: none"> <li>Year 12 representatives elected to lead JLT along with Head Girl/Boy &amp; Deputies Oct 15</li> </ul>	<ul style="list-style-type: none"> <li>Meeting records</li> <li>Feedback to Governors</li> </ul>
Pupil wellbeing is given a greater focus across the school	<ul style="list-style-type: none"> <li>Pupils are happier and self-esteem is raised</li> </ul>	<ul style="list-style-type: none"> <li>Use data such as PASS test result to establish a baseline and help format action plan</li> </ul>	<ul style="list-style-type: none"> <li>Feedback from Junior Leadership Team</li> <li>Kirkland Rowell survey results</li> </ul>
Strategic Aim 6: Continue the development of the Sixth Form towards the outstanding provision we aspire to			
Actions to achieve aim	Success criteria	Milestones	Monitoring and evaluation
Review the curriculum model in light of experiences with current Y12 and in light of changes to A level specifications and assessment	<ul style="list-style-type: none"> <li>Curriculum model matches the needs and aspirations of students</li> <li>Successful completion of the Sixth Form options process and construction of the whole school timetable to include Y12 &amp; 13</li> </ul>	<ul style="list-style-type: none"> <li>Review of post-16 option choices</li> <li>Pre-options focus questionnaires conducted</li> <li>Provisional options blocks created after application deadline Mar 2016</li> <li>Timetable in place by Jul 2016</li> </ul>	<ul style="list-style-type: none"> <li>SMT and Subject Board meeting records</li> </ul>
UCAS application procedures and training	<ul style="list-style-type: none"> <li>UCAS system timeline in place by spring term</li> </ul>	<ul style="list-style-type: none"> <li>Plan in place and CPD delivered during summer term</li> </ul>	<ul style="list-style-type: none"> <li>SMT meeting action points</li> </ul>
Develop an appropriate revision programme for Y12	<ul style="list-style-type: none"> <li>Sixth Form students are fully prepared for their AS exams</li> <li>Revision for Sixth Form students matches the quality of the well-established programme for Y11.</li> </ul>	<ul style="list-style-type: none"> <li>DAT to meet with LC to create outline plan</li> <li>Plan shared with HoS at Subject Board</li> </ul>	<ul style="list-style-type: none"> <li>Subject Board</li> <li>SMT/SLT meetings</li> </ul>

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

Create more opportunities for spiritual development for Sixth Form students	<ul style="list-style-type: none"> <li>Sixth form students have bespoke opportunities to develop their spirituality and for collective worship</li> </ul>	<ul style="list-style-type: none"> <li>Discussion with Sixth Form reps Jan 2016</li> <li>Events to be planned and delivered in spring and summer terms 2016</li> <li>Church service to take place by July 2016</li> <li>Evaluation and review July 2016</li> </ul>	<ul style="list-style-type: none"> <li>DAT/HM and AH/LC KIT meetings</li> <li>Report to Governors</li> </ul>
<b>Strategic Aim 7: Continue to develop engagement with external partners to improve our provision</b>			
<b>Actions to achieve aim</b>	<b>Success criteria</b>	<b>Milestones</b>	<b>Monitoring and evaluation</b>
Continue to develop links with our parish church, and diocese	<ul style="list-style-type: none"> <li>School links with the parish, deanery and diocese are increased</li> </ul>	<ul style="list-style-type: none"> <li>Review of current links Jan 2016</li> <li>Meeting with representatives of PCC spring 2016</li> </ul>	<ul style="list-style-type: none"> <li>Report to Governors spring termly meeting</li> </ul>
Use Teaching School status to identify ways of further improving our provision	<ul style="list-style-type: none"> <li>Succession planning is effective in developing leadership capacity</li> </ul>	<ul style="list-style-type: none"> <li>CS to take up greater leadership role within TSA Nov 2015</li> </ul>	<ul style="list-style-type: none"> <li>PBTSA Board Meetings</li> <li>Report to Termly Governors' Meeting</li> </ul>
Help improve outcomes for pupils in other schools through our National Support School status.	<ul style="list-style-type: none"> <li>Schools support have improved outcomes</li> <li>Recognition of the impact of support in HMI monitoring reports</li> </ul>	<ul style="list-style-type: none"> <li>Support delivered as agreed</li> <li>Termly review of impact on school being supported and on Whitburn</li> </ul>	<ul style="list-style-type: none"> <li>Principal's report to Governors</li> <li>Evaluation for NCTL</li> <li>HMI monitoring reports</li> </ul>
Build links with local employers and universities	<ul style="list-style-type: none"> <li>Links are used to enhance the delivery of the curriculum and work experience</li> </ul>	<ul style="list-style-type: none"> <li>Proposals to be taken to SMT in spring term</li> </ul>	<ul style="list-style-type: none"> <li>SMT meeting action points</li> </ul>

**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.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**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 1,078 pupils and students on roll from September 2016.

**2016 provisional figures 5+ A\* to C grades at GCSE, including English and Maths**

<b>Whitburn Church of England Academy</b>	<b>85%</b>
South Tyneside Average (2015)	58%
National Average (2015)	54%

**Headlines**

- Key national school performance measures 2016:
- Basics: A\* to C grades at GCSE in both English and Maths = 86% (National 2015 =58% )
- Progress 8 = 0.48 (National 2015 = 0.12 )
- Attainment 8 = 58.65 (National 2015 = 52.0 )
- % EBacc passes = 27% (National 2015 = 23%)
- 3+ levels of progress KS2 to 4 English = 93% (National 2015 = 69% )
- 3+ levels of progress KS2 to 4 Maths = 90% (National 2015 = 66%)

**Other measures**

- 5+ A\*- C GCSEs including English and Maths = 85% (National 2015 =56% )
- Value Added = 1029 (National Average is 1000)
- 5+ A\*- C GCSEs = 89% (National 2015 = 65%)
- 97% of pupils gained at least 1 C grade and 61% gained at least 1A\* or A grade
- 30% of all grades achieved were A\* or A (National 2015 =20%)

**Pupil Premium Pupils**

- Basics: A\* to C grades at GCSE in both English and Maths = 63%
- Progress 8 = 0.40 (National 2015= -0.40 )
- Attainment 8 = 49.2 (National 2015 = 39.0)
- % EBacc passes = 17% (National 2015 = 11%)
- 3+ levels of progress in English = 79% (National 2015 =57% )
- 3+ levels of progress in Maths = 75% (National 2015 = 49% )
- 5+ A\*- C GCSEs including English and Maths = 63% (National 2015 =37% )
- 5+ A\*- C GCSEs = 71% (National 2015 = 45%)

**Pupil Attendance Data**

Period: 01/09/2015 AM to 17/07/2016 PM  
Scope: Whole School

QPI	2012-13	2013-14	2014-15	2015-16
Attendances	94.31	95.26	95.08	92.17
Authorised absences	5.15	4.45	4.61	7.21
Unauthorised absences	0.53	0.29	0.32	0.65

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Staffing/Finance Data HCSS**

**Key Financial Performance Indicators**

KPI	2012-13	2013-14	2014-15	2015-16
Salary Costs to EFA Revenue Income(%)	87.64	88.61	91.29	90.93
Salary Costs to Total Income (%)	80.13	80.52	80.27	77.04
Salary Costs as % Total Expense	78.00	80.30	78.89	68.67
FTE Teaching Staff	63.00	64.60	66.50	66.80
FTE Support Staff	41.00	40.80	43.50	43.30

**FINANCIAL REVIEW**

**Going concern**

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

**Principal funding**

Most of the academy's income is obtained from the Department of Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the year ended 31 August 2016 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/EFA. 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.

In addition the academy has received payment from the Capital Maintenance Funding towards a new 6th form block.

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

During the year ended 31 August 2016, total expenditure of £6,571,000 was in excess of recurrent grant funding from the DfE/EFA 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 £242,000.

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

At 31 August 2016 the net book value of fixed assets was £2,288,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Principal funding (continued)**

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 £1,890,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2016 of £411,000 comprising £417,000 of restricted funds and £(6,000) of unrestricted funds.

**Principal risks and uncertainties**

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/EFA. 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**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**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.
- 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 £6,000 and therefore are considered to be below the level of reserves required for the ongoing needs of the academy. This is due partly to the exceptional expenditure required this year to ensure that our 6<sup>th</sup> form building was finished and kitted out. Also, additional staffing was required to employ sixth form teachers but the 6<sup>th</sup> form is still not at full capacity due to it having only recently opened. This shortfall in funding will be partly resolved once the sixth form is fully established. In addition, the Trust is looking at all costs in an effort to return to an in year surplus position which over time will enable it to build up its reserves.

**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.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

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

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.



**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**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 arrangements for the election or, if required, appointment of Parent Governors. The Local Authority may appoint the LA Governor. The Principal 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 Principal 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**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Pay policy for key management personnel**

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

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

From September 2011 the Governing Body has regarded the STPCD and considers 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 Principal is appointed as a temporary Principal or Headteacher in one or more additional schools.

Pay ranges for Head of School, 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 Principal Pay Range is: L35 - 41  
The Head of School Pay Range is: L25-L28  
The Deputy Headteacher Pay Range is: L18 - 22  
The Assistant Headteacher Pay Range is: L13 – 17

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 Head of School, 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
- f) includes line management responsibility for a significant number of people and /or line management of other line managers.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Pay policy for key management personnel (continued)**

In the case of the Head of School 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.

**Organisational structure**

During the year the academy continued to operate a unified management structure. The structure consists of five 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 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 Leadership Team** - consists of the Principal, 3 Deputy Headteachers, 2 Assistant Headteachers, 2 Principal Teachers, and 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 Leadership 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 Deputy Headteacher, or an appropriate member of the Senior Leadership Team must countersign for.

**Middle Management** - consists of Heads of Faculty/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 Leadership 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.

**Connected organisations, including related party relationships**

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.

The academy does not operate as part of a trust.

There are no connected organisations, including related party relationships. Further details are provided in note 22.

**Governors' indemnities**

The academy has purchased insurance to protect Governors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 11.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**PLANS FOR FUTURE PERIODS**

**Future developments**

The academy has applied for Multi Academy Trust status in September 2016, sponsored by the Diocese of Durham.

**Funds Held as Custodian Trustee on Behalf of PBTSA**

We are currently holding funds of £50,000 as part of our teaching school status, as the grant funding for 2015-16. A further grant of £40,000 will be awarded for 2016-17.

**Disclosure of information to auditor**

Insofar as the Governors are aware:

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

This report was approved by order of the Board of Governors as the company directors, on 13 December 2016 and signed on its behalf by:



**J Mulley**  
**Chair of Governors**

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**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 Board of Governors has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Whitburn Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors 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 Board of Governors has formally met 9 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
J Mulley	9	9
M Small	9	9
H M Al Ajdiri	8	9
C Alder	7	9
S A Beech	4	9
N Clougher	5	9
C E J Craig	5	7
I D Fawdon	6	9
M J Hamilton	6	8
A Hardie, Headteacher & Accounting Officer	9	9
C J Mason	7	9
B Morris	6	9
T Mulford	5	9
Rev K R Smith	5	9
A L Tobin	4	4

The Finance and Learning Committee is a sub committee of the main Board of Governors. Its purpose is to agree and monitor the management of the academy budget and the overall financial performance of the organisation and matter relating to the academy's premises.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
S A Beech	3	3
N Clougher	3	3
C E J Craig (appointed 13 November 2015)	2	3
I D Fawdon	3	3
M J Hamilton (resigned 5 July 2016)	1	2
A Hardie	2	3
C J Mason	0	3
B Morris	0	3
T Mulford	1	3
J Mulley	3	3
M Small	3	3
A L Tobin (appointed 15 December 2015)	2	2

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

**Review of Value for money**

As Accounting Officer, the Principal 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 Board of Governors where value for money can be improved, including the use of benchmarking data where appropriate. 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 programme of lesson observations to ensure high quality teaching.
- Use a target setting system to motivate pupils and to benchmark progress.
- Tracked pupil progress at regular intervals to intervene if progress slowed.
- Regular revision sessions were held after school, during holiday periods and weekends.
- 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.
- Pre and after school booster sessions were in place as well as 'master classes' during lessons' time in mathematics.
- Support staff have been trained in Read Write Inc programme and providing sessions before and after school to meet the needs of pupils in Numeracy and Literacy, particularly those on the SEN register or the Pupil Premium cohort.
- Targeted support for Year 7 pupils who came to the school at under level 4 in English 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 level 4 in Maths and or English – funded through Year 7 Literacy and Numeracy Catch-Up Premium).
- Small group and one to one support using additional specialist Mathematics and English teaching staff, during lessons
- Booster sessions in Mathematics and English before school and Master classes, during lessons
- Lunchtime Numeracy and Literacy session delivered by Pupil Premium Tutors to year 8 and 9 pupils
- Subsidising school trips
- Support with uniform purchase
- Purchasing lesson specific materials – eg Food Technology ingredients, Art materials, calculator, revision guides, texts
- Personalised provision (Offsite/Vocational Learning)
- Personalised provision (Onsite /Bridge Centre)
- Financial assistance for additional Music tuition or purchase of musical equipment
- Pupil Premium pupils on Vocational Learning course taken on residential placement as part of accreditation
- 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
- Provision of 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.
- 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**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

**Collaboration:**

The school achieved Teaching School Status and our Principal holds 'National Leader of Education' status this academic year. This will enable the academy to play a leading role in the development of schools within the region. The Principal plays a lead role in the Dioceses of Durham and Newcastle, being Chair of the Middle and Secondary School Improvement Partnership. 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 two 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 the Clive Owen LLP taking on additional internal control reviews;
- The work of the external auditor;
- 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 trust's system of internal financial control is based on the EFA 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 Finance and Learning 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.
- 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 Leadership 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.
- 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)
- 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**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

**Reviewing controls and managing risks:**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of 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;
- 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 ongoing 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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Whitburn Church of England Academy for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of 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 year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of 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 Board of 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;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.



**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

The Risk and Control Framework (continued)

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Clive Owen LLP, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. 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 produced;
- 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;
- Review of VAT and Corporation tax position

On a termly basis, the auditors report to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

The external auditors have delivered their schedule of work as planned and some issues were identified which the trust board were advised of during the period.

**Review of Effectiveness**

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditors;
- the work of the external auditors;
- 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 members of the Board of Governors on 13 December 2016 and signed on their behalf, by:



**J Mulley**  
**Chair of Governors**



**A Hardie**  
**Accounting Officer**

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Whitburn Church of England Academy I have considered my responsibility to notify the academy trust Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

I confirm that the only instance that needs to be brought to the trust board and EFA's attention is the failure of their accurate management accounts. There are no other instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Governors and EFA.



**A Hardie**  
**Accounting Officer**

13 December 2016

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

Company law requires the 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 the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

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

The 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 grants received from the EFA/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 Board of Governors on 13 December 2016 and signed on its behalf by:



**J Mulley**  
**Chair of Governors**

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
WHITBURN CHURCH OF ENGLAND ACADEMY**

We have audited the financial statements of Whitburn Church of England Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective responsibilities of Governors and auditors**

As explained more fully in the Statement of Governors' responsibilities, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

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

**Emphasis of matter - Going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net deficit on unrestricted funds and the General Annual Grant of £299,000 during the year ended 31 August 2016 and, at that date, the Trust's unrestricted reserves were in deficit by £6,000.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
WHITBURN CHURCH OF ENGLAND ACADEMY**

The financial statements do not include the adjustments that would result if the Trust was unable to continue as a going concern.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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



Christopher Beaumont BA(Hons) FCA DChA (Senior statutory auditor)

for and on behalf of

**Clive Owen LLP**

Chartered Accountants  
Statutory Auditors

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT  
13 December 2016

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO WHITBURN  
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 14 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Whitburn Church of England Academy during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Whitburn Church of England Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Whitburn Church of England Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Whitburn Church of England Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Whitburn Church of England Academy's accounting officer and the reporting auditors**

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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**Approach**

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

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

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

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

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO WHITBURN  
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

**Approach (continued)**

The work undertaken to draw to our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtain formal letters of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of registers of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts; and
- Review an instance of gifts/hospitality to ensure in line with policy.

**Conclusion**

In the course of our work, it has become apparent that accurate management accounts have not been prepared. In all other regards nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Clive Owen LLP**

Reporting Accountant

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

13 December 2016

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
<b>INCOME FROM:</b>						
Donations and capital grants	2	9	-	49	58	1,661
Charitable activities	5	-	5,263	-	5,263	5,050
Other trading activities	3	872	-	-	872	480
Investments	4	2	-	-	2	9
<b>TOTAL INCOME</b>		<b>883</b>	<b>5,263</b>	<b>49</b>	<b>6,195</b>	<b>7,200</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		686	5,702	183	6,571	5,895
<b>TOTAL EXPENDITURE</b>	7	<b>686</b>	<b>5,702</b>	<b>183</b>	<b>6,571</b>	<b>5,895</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	16	197 (496)	(439) 412	(134) 84	(376) -	1,305 -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES</b>						
		(299)	(27)	(50)	(376)	1,305
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(1,180)	-	(1,180)	60
<b>NET MOVEMENT IN FUNDS</b>		<b>(299)</b>	<b>(1,207)</b>	<b>(50)</b>	<b>(1,556)</b>	<b>1,365</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		293	(664)	2,338	1,967	602
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>(6)</b>	<b>(1,871)</b>	<b>2,288</b>	<b>411</b>	<b>1,967</b>



**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07465520**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£000	2016 £000	2015 £000
<b>FIXED ASSETS</b>				
Tangible assets	12		2,288	2,337
<b>CURRENT ASSETS</b>				
Stocks	13	2		10
Debtors	14	291		426
Cash at bank and in hand		123		659
		416		1,095
<b>CREDITORS:</b> amounts falling due within one year	15	(403)		(745)
<b>NET CURRENT ASSETS</b>			13	350
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				
Defined benefit pension scheme liability	20		2,301	2,687
			(1,890)	(720)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			411	1,967
<b>FUNDS OF THE ACADEMY</b>				
Restricted funds:				
Restricted funds	16	19		56
Restricted fixed asset funds	16	2,288		2,338
		2,307		2,394
Restricted funds excluding pension liability		(1,890)		(720)
Total restricted funds			417	1,674
Unrestricted funds	16		(6)	293
<b>TOTAL FUNDS</b>			411	1,967

The financial statements were approved by the Governors, and authorised for issue, on 13 December 2016 and are signed on their behalf, by:

  
**J Mulley**  
**Chair of Governors**

The notes on pages 33 to 52 form part of these financial statements.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £000	2015 £000
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	18	(667)	112
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		2	9
Purchase of tangible fixed assets		(134)	(2,168)
Capital grants from DfE/EFfA		263	1,438
<b>Net cash provided by/(used in) investing activities</b>		<b>131</b>	<b>(721)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(536)</b>	<b>(609)</b>
Cash and cash equivalents brought forward		659	1,268
<b>Cash and cash equivalents carried forward</b>		<b>123</b>	<b>659</b>

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

Whitburn Church of England Academy constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

**1.2 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 the Department for Education 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 and include grants from the Department for Education.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

Whitburn Church of England Academy constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

**1.2 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 the Department for Education 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 and include grants from the Department for Education.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME**

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

**1.4 EXPENDITURE**

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

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

All resources expended are inclusive of irrecoverable VAT.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.5 GOING CONCERN**

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

During the year, the Trust incurred an overall deficit on the unrestricted funds and the General Annual Grant (GAG) of £299,000 which has resulted in the organisation having a cumulative deficit on unrestricted funds of £6,000. Whilst the Academy expected to operate a deficit budget for the year due to the opening of the new Sixth Form, the actual deficit was substantially higher than forecast due to poor financial controls. Now that the Trust is aware of the financial position a freeze on all non-essential expenditure has been implemented.

The draft financial forecast to 31 August 2017 prepared by the accounting team at the Trust show that with significant cuts to educational service costs the Trust can meet its liabilities as they fall due.

In addition, the Trust has approached the Diocese which is prepared to lend the Trust up to £50,000 to assist with its cashflow if required.

With the expected expansion of the Sixth Form in September 2017, (with associated lagged funding) and reduced staffing number the Trust is confident it will return to surplus for 2017/18.

**1.6 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.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.7 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.8 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.9 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.

**1.10 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.

**1.11 DEBTORS**

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**1.12 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**1.13 LIABILITIES AND PROVISIONS**

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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.14 PENSIONS**

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

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 prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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



**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

Depreciation:- Depreciation is calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives. An estimate of the useful life of assets can be found in the tangible fixed assets and depreciation accounting policy. The value of depreciation charged during the year was £183,000.

The academies buildings are owned by the Durham Diocesan Board of Finance. The Academy Trust occupies the building under a mere licence. The licence delegates aspects of the management of the buildings to the Academy Trust for the time being, but does not vest any rights over the buildings to the Academy Trust. The Durham Diocesan Board of Finance has given an undertaking to the Secretary of State that they will not give Academy Trust less than two years notice to terminate the occupation of the buildings. Having considered the factual matrix under which the Academy Trust is occupying the buildings the Governors have concluded that the value of the buildings occupied by the Academy Trust will not be recognised on the balance sheet of the Academy Trust. In addition, whilst the occupation constitutes a donation in kind to the Academy Trust, the Governors consider that the cost of obtaining a valuation for such a donation outweighs the expense and therefore no such donation and related expense are included in the Statement of Financial Activities.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Donations	9	-	9	9
Capital Grants	-	49	49	1,652
	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	9	49	58	1,661
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £9,000 was to unrestricted funds and £1,652,000 was to restricted fixed asset funds.

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Sundry income	219	-	219	189
Uniform	4	-	4	4
School trips	90	-	90	23
Catering	289	-	289	264
Teaching school income	270	-	270	-
	<hr/>	<hr/>	<hr/>	<hr/>
	872	-	872	480
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from other trading activities, £480,000 was to unrestricted funds and £ NIL was to restricted funds.

**4. INVESTMENT INCOME**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Bank interest	2	-	2	9
	<hr/>	<hr/>	<hr/>	<hr/>
	2	-	2	9
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total investment income, £9,000 was to unrestricted funds and £ NIL was to restricted funds.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	=	5,038	5,038	4,832
Pupil Premium	=	131	131	135
National College for Teaching and Leadership	=	19	19	76
Other DfE/EFA Grants	=	52	52	-
	<u>=</u>	<u>5,240</u>	<u>5,240</u>	<u>5,043</u>
<b>Other government grants</b>				
SEN	=	23	23	7
	<u>=</u>	<u>23</u>	<u>23</u>	<u>7</u>
	<u>=</u>	<u>5,263</u>	<u>5,263</u>	<u>5,050</u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £5,050,000 was to restricted funds.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**6. CHARITABLE ACTIVITIES**

	2016 £000	2015 £000
<b>DIRECT COSTS</b>		
Wages and salaries	3,429	3,180
National insurance	296	249
Pension cost	480	506
Educational supplies	211	203
Examination fees	89	76
Staff development	132	12
Travel and subsistence	4	6
Other direct costs	94	134
	4,735	4,366
<b>SUPPORT COSTS</b>		
Wages and salaries	428	495
National insurance	24	26
Pension costs	108	115
Depreciation	183	90
Net interest cost on pension scheme	20	20
Technology costs	44	50
Recruitment and support	13	13
Maintenance of premises and equipment	113	87
Cleaning	128	19
Rates	92	69
Energy	133	106
Insurance	39	49
Security	9	7
Transport	2	5
Catering	208	195
Occupancy costs	32	33
Bank interest and charges	7	6
Other support costs	161	93
Governance costs	92	51
	1,836	1,529
	6,571	5,895

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**7. EXPENDITURE**

	Staff costs 2016 £000	Premises 2016 £000	Other costs 2016 £000	Total 2016 £000	Total 2015 £000
Educational operations:					
Direct costs	4,205	=	530	4,735	4,366
Support costs	560	631	645	1,836	1,529
	<u>4,765</u>	<u>631</u>	<u>1,175</u>	<u>6,571</u>	<u>5,895</u>

There were no individual transactions exceeding £5,000 for:

- Ex-gratia/compensation payments
- Gifts made by the academy
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

In 2016, of the total expenditure, £686,000 (2015 - £796,000) was to unrestricted funds and £5,885,000 (2015 - £5,099,000) was to restricted funds.

**8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets:		
- owned by the charity	183	90
Auditors' remuneration - audit	11	8
Auditors' remuneration - other services	6	9
Operating lease rentals	<u>15</u>	<u>13</u>

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**9. STAFF COSTS**

Staff costs were as follows:

	2016 £000	2015 £000
Wages and salaries	3,746	3,553
Social security costs	320	275
Operating costs of defined benefit pension schemes	588	621
	<u>4,654</u>	<u>4,449</u>
Supply staff costs	111	39
Staff restructuring costs	-	83
	<u>4,765</u>	<u>4,571</u>

Included within operating costs of defined benefit pension schemes is £30,000 credit (2015: £30,000 credit) relating to the pension deficit actuarial adjustment.

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

	2016 No.	2015 No.
Teaching	65	60
Administration and support	66	66
Management	6	6
	<u>137</u>	<u>132</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	1	0
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0

All of the above employees participated in the Teachers' Pension Scheme.

Key management personnel of the academy trust comprises the Headteacher, two Deputy Headteachers and the Business Manager. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £400,000 (2015: £388,000).

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**10. GOVERNORS' REMUNERATION AND EXPENSES**

One or more Governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

		2016 £000	2015 £000
A Hardie, Principal & Accounting Officer	Remuneration	100-105	95-100
	Pension contributions paid	15-20	10-15
N Clougher	Remuneration	45-50	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	Nil
	Pension contributions paid	5-10	Nil

During the year, no Governors received any benefits in kind (2015 - £NIL).

During the year, no Governors received any reimbursement of expenses (2015 - £NIL).

**11. 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 of this insurance is included in the total insurance cost and therefore the cost can not be separately identified.

**12. TANGIBLE FIXED ASSETS**

	Long leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>COST</b>				
At 1 September 2015	1,950	497	457	2,904
Additions	2	107	25	134
At 31 August 2016	<u>1,952</u>	<u>604</u>	<u>482</u>	<u>3,038</u>
<b>DEPRECIATION</b>				
At 1 September 2015	-	259	308	567
Charge for the year	39	74	70	183
At 31 August 2016	<u>39</u>	<u>333</u>	<u>378</u>	<u>750</u>
<b>NET BOOK VALUE</b>				
At 31 August 2016	<u>1,913</u>	<u>271</u>	<u>104</u>	<u>2,288</u>
At 31 August 2015	<u>1,950</u>	<u>238</u>	<u>149</u>	<u>2,337</u>

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**13. STOCKS**

	2016 £000	2015 £000
Clothing, catering supplies and stationery	2	10
	2	10

**14. DEBTORS**

	2016 £000	2015 £000
Trade debtors	92	35
VAT recoverable	30	99
Other debtors	1	5
Prepayments and accrued income	168	287
	291	426

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £000	2015 £000
Trade creditors	53	264
Other taxation and social security	99	84
Other creditors	90	85
Accruals and deferred income	161	312
	403	745

	2016 £000	2015 £000
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2015	95	50
Resources deferred during the year	71	95
Amounts released from previous years	(95)	(50)
Deferred income at 31 August 2016	71	95

At the balance sheet date the academy was holding funds relating to rates relief, capital funding, which straddle the year end. Also school trip income held in advance of the trip date.



**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**16. STATEMENT OF FUNDS**

	Brought Forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>UNRESTRICTED FUNDS</b>						
Unrestricted funds	293	883	(686)	(496)	-	(6)
<b>RESTRICTED FUNDS</b>						
	Brought Forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
General Annual Grant (GAG)	-	5,038	(5,450)	412	-	-
Pupil Premium	-	131	(131)	-	-	-
National College for Teaching and Leadership	56	19	(56)	-	-	19
Other DfE/EFA Grants	-	52	(52)	-	-	-
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>412</u>	<u>(1,180)</u>	<u>(1,871)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Assets inherited on conversion	16	-	(17)	-	-	(1)
Devolved Formula Capital	385	20	(106)	-	-	299
Capital Maintenance Fund	1,886	-	(38)	-	-	1,848
Capital expenditure from GAG	51	-	(20)	84	-	115
Wolfson Fund	-	29	(2)	-	-	27
	<u>2,338</u>	<u>49</u>	<u>(183)</u>	<u>84</u>	<u>-</u>	<u>2,288</u>
Total restricted funds	<u>1,674</u>	<u>5,312</u>	<u>(5,885)</u>	<u>496</u>	<u>(1,180)</u>	<u>417</u>
Total of funds	<u><u>1,967</u></u>	<u><u>6,195</u></u>	<u><u>(6,571)</u></u>	<u><u>-</u></u>	<u><u>(1,180)</u></u>	<u><u>411</u></u>

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.

Pupil Premium is additional funding to be spent as the academy sees fit to support deprived students.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**16. STATEMENT OF FUNDS (continued)**

National College for Training and Leadership is funding to assist gaining teaching school status.

Other DfE/EFA Grants rates relief to be used against the cost of rates, Summer School funding aimed at assisting disadvantaged children with the transition from primary school to secondary school and Year 7 Catch Up Grant for the educational benefit of pupils registered at the school.

Other Government Grants relate to Special education needs funding and Looked after children funding which is provided to cover costs of supporting students with additional learning requirements.

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

A transfer of £84,000 has been made to capital expenditure from GAG funding to reflect those items included within fixed assets which have been purchased using GAG monies. A transfer of £496,000 has been made to GAG revenue from unrestricted income to reflect the total purchases made using GAG monies.

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 20.

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Tangible fixed assets	-	-	2,288	2,288	2,337
Current assets	397	19	-	416	1,095
Creditors due within one year	(403)	-	-	(403)	(745)
Provisions for liabilities and charges	-	(1,890)	-	(1,890)	(720)
	<u>(6)</u>	<u>(1,871)</u>	<u>2,288</u>	<u>411</u>	<u>1,967</u>

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £000	2015 £000
Net (expenditure)/income for the year (as per Statement of financial activities)	(376)	1,305
<b>Adjustment for:</b>		
Depreciation charges	183	90
Dividends, interest and rents from investments	(2)	(9)
Decrease in stocks	8	4
Decrease/(increase) in debtors	135	(320)
(Decrease)/increase in creditors	(342)	480
Capital grants from DfE and other capital income	(263)	(1,438)
Defined benefit pension adjustment	(30)	20
Defined benefit pension scheme finance cost	20	(20)
<b>Net cash (used in)/provided by operating activities</b>	<b>(667)</b>	<b>112</b>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £000	2015 £000
Cash in hand	123	659
<b>Total</b>	<b>123</b>	<b>659</b>

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**20. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for 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 pension schemes.

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

Contributions amounting to £80,000 were payable to the schemes at 31 August 2016 (2015 - £73,000) 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 Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £433,000 (2015 - £368,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**20. PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £220,000 (2015 - £230,000), of which employer's contributions totalled £180,000 (2015 - £190,000) and employees' contributions totalled £40,000 (2015 - £40,000). 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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.80 %
Rate of increase in salaries	3.40 %	3.60 %
Rate of increase for pensions in payment / inflation	1.90 %	2.10 %
Inflation assumption (CPI)	1.90 %	2.10 %
Commutation of pensions to lump sums	75.00 %	75.00 %

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

	2016	2015
Retiring today		
Males	23.2	23.1
Females	24.8	24.7
Retiring in 20 years		
Males	25.3	25.1
Females	27.1	27.0

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	1,876	1,463
Government bonds	108	80
Corporate bonds	325	256
Cash	85	71
Property	283	205
Other	153	135
	<hr/>	<hr/>
Total market value of assets	2,830	2,210
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £420,000 (2015 - £70,000).

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**20. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(150)	(170)
Net interest cost	(20)	(20)
	(170)	(190)
Total	(170)	(190)
Actual return on scheme assets	420	70

Movements in the present value of the defined benefit obligation were as follows:

	2016 £000	2015 £000
Opening defined benefit obligation	2,930	2,710
Current service cost	150	170
Interest cost	110	100
Contributions by employees	40	40
Actuarial losses/(gains)	1,510	(70)
Benefits paid	(20)	(20)
	4,720	2,930
Closing defined benefit obligation	4,720	2,930

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

	2016 £000	2015 £000
Opening fair value of scheme assets	2,210	1,930
Actuarial losses	90	80
Actuarial gains and (losses)	330	(10)
Contributions by employer	180	190
Contributions by employees	40	40
Benefits paid	(20)	(20)
	2,830	2,210
Closing fair value of scheme assets	2,830	2,210

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**21. OPERATING LEASE COMMITMENTS**

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

	2016 £000	2015 £000
<b>AMOUNTS PAYABLE:</b>		
Within one year	21	11
Between one and five years	30	8
Total	<u>51</u>	<u>19</u>

**22. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisation, transactions may take place with organisations in which the academy has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain Governors' remuneration and expenses already disclosed in note 10.

**23. PRIOR YEAR ADJUSTMENT**

On conversion to academy status on 9 December 2010, buildings held on licence from the Diocesan Board of Finance were recognised as a donation and included as an asset on the Academy Trust balance sheet for Whitburn C of E Academy. Following advice from the National Society and the Durham Diocesan Board of Finance, the Governors have taken the decision to remove these buildings from the balance sheet through a prior year adjustment. The affect of this on the comparative figures was a reduction in opening reserves at 1 September 2014 of £17,167,000, a decrease in expenditure of £365,000 and a reduction in tangible fixed assets of £16,436,000.

**WHITBURN CHURCH OF ENGLAND ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**24. FIRST TIME ADOPTION OF FRS 102**

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

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

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

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	1 September 2014 £000	31 August 2015 £000
Total funds under previous UK GAAP		602	1,967
Total funds reported under FRS 102		<u>602</u>	<u>1,967</u>

<b>Reconciliation of net income</b>	<b>Notes</b>	31 August 2015 £000
Net income previously reported under UK GAAP		1,355
Change in recognition of LGPS interest cost	A	(50)
Actuarial gains/(losses) brought above the line	B	60
Net movement in funds reported under FRS 102		<u>1,365</u>

Explanation of changes to previously reported funds and net income/expenditure:

A Change in recognition of LGPS interest cost

Under previous UK GAAP the academy recognised an expected return on defined benefit plan assets in expense. Under FRS102 a net interest expense, based on the net defined benefit liability, is recognised in the expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit in expense by £30,000, decrease the credit in other income by £20,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.

B Actuarial gains/(losses) brought above the line

Under SORP 2015 actuarial gains and losses did not form part of net expenditure for the year. Under SORP (FRS102) these gains from part of the net movements in funds for the year.