

Registered number: 07713512 (England & Wales)

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

Members

Dr B McGucken
Mr K Hailwood
Rev S Glynn (resigned 13 June 2016)
Parochial Church Council of Christ Church Parbold

Governors

Dr B McGucken, Foundation Governor & Chair of Governors^{1,2,5}
Mr K Hailwood, Foundation Governor, Vice Chair of Governors & Chair of Resources Committee^{1,3,4,5}
Mrs K Baybut, Foundation Governor & Chair Standards Committee^{1,2,4}
Mr J. Baker, Foundation Governor & Chair of Premises, Health & Safety^{1,3,4}
Mr C Lawson, Staff Governor²
Mrs A Jones, Foundation Governor^{1,2}
Mrs J Santi, Foundation Governor²
Mr G Carruthers, Foundation Governor^{2,3,5}
Rev S Glynn, Ex Officio, Foundation Governor (resigned 13 June 2016)
Miss C Mawdsley, Support Staff Governor (resigned 4 April 2016)^{2,3}
Mrs B Cooper, Ex Officio Principal (resigned 31 August 2016)^{1,2,3,4,5}
Mrs S Rowland, Parent Governor (appointed 1 September 2015)
Mrs H C Collinson, Parent Governor (appointed 1 September 2015)

- 1 Resources Committee
- 2 Standards Committee
- 3 Premises Committee
- 4 Remuneration Committee
- 5 Teaching School

Company registered number

07713512

Company name

Parbold Douglas Church of England Academy

Principal and registered office

Lancaster Lane, Parbold, Lancashire, WN8 7HS

Company secretary

Joanne Mercer

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Advisers (continued)

Senior management team

Mrs B Cooper, Principal

Mrs C Dundas, Vice Principal

Independent auditor

Crowe Clark Whitehill LLP, The Lexicon, Mount Street, Manchester, M2 5NT

Bankers

Royal Bank of Scotland, The Common, Parbold, Lancashire, WN8 7DB

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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 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.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the Charitable Company is the operation of Parbold Douglas Church of England Primary Academy - to advance for the public benefit education in the United Kingdom offering a broad and balanced curriculum conducted in accordance with the principles practices and tenets of the Church of England.

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 pupils to the Academy, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the National Curriculum.

The main objectives of the Academy during the period ended 31 August 2016 are to prepare children for living and learning responsibly in society by:

- Encouraging a love of learning, an ability to question and think rationally, to show initiative and independence and apply themselves to all tasks conscientiously.
- Enabling each child to progress towards the realisation of his/her potential, regardless of age, cultural background, disability, gender, race or religious beliefs.
- Encouraging children to take a pride in themselves, to learn how to be healthy and stay safe, to develop a happy disposition and adopt a measured approach towards life and decision making.
- Promoting a respect and understanding for the Anglican Communion of which we are a member as well as the cultural and religious principles of others, particularly those within our own school and community.
- Encouraging good behaviour by showing courtesy, good manners, consideration for the needs of others and respect for the ethos of the school.
- Recognising that parents are the prime educators and encouraging a close partnership between home and school
- Delivering a broad and balanced curriculum with emphasis on the acquisition of literacy and numeracy skills, enrichment activities and learning through fun and investigation.
- Constantly monitoring and evaluating all aspects of our performance in order to raise standards still further.
- Working in partnership with the local community and industry to deepen an understanding of the wider world.

Our aims underpin every aspect of day-to-day life. To help achieve these aims, our school offers a happy, safe and welcoming atmosphere.

Children are encouraged to learn through first-hand experience in a stimulating environment. Staff development

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

is a priority and the school boasts a professional team with considerable expertise.

Children aim to be:

- Well-mannered and well-behaved;
- Hardworking and engaged;
- Helpful and caring;
- Smart, safe and tidy.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Parbold Douglas Church of England Primary Academy seeks to provide an all-round education for children in a bright and stimulating and fun atmosphere. We have the highest expectations of pupil attainment, teacher performance and parental involvement and we encourage everyone to strive for excellence, in order to achieve potential. We seek challenge and embrace change in order to improve. To this end, the activities provided include:

- Well planned learning opportunities for all pupils to achieve in line with or exceed expectations in the EYFS, KS1 and KS2 statutory assessments,
- Professional development opportunities for all staff,
- For all staff to have annual performance management objectives set and reviewed,
- Pupil involvement in leadership decisions through the use of our pupil council,
- A broad, balanced and creative curriculum provided for all pupils,
- Opportunities for extended learning through the provision of extra-curricular activities,
- Talent spotting of all individuals on the staff including succession planning in order to maintain and move beyond "outstanding,"
- Talent spotting of all pupils and encouraging and fostering the areas identified,
- a fully inclusive education, available to all.
- Provision for Governor/Director training

These were set down in the School Development plan and followed the Ofsted inspection categories. Success criteria were set and impact measured.

Examples included introducing a programme "Learn to Learn" with workshops for staff, children and parents. This is now embedded. A staff well-being survey was carried out followed by consultation with staff resulting in an Action Plan which is now in place. Challenging outcomes for children were set and progress monitored closely. A major drive was made to ensure pupils had Mastery of areas of learning before moving on. Attendance and punctuality targets of 98% were set (see below). A Forest School project was set up and has proved a success.

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

c. PUBLIC BENEFIT

We have referred to guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence.

Analysis of pupil data and test results confirm that the governing body has utilised its financial resources, including the Pupil Premium Grant, to ensure that all children meet their full potential.

The following KPIs have been achieved for the year ended 31 August 2016:

Y1 Phonics screening: 93% pass (84% previous year).

Y2 SATs results (National results in brackets).

Reading	97% (66%)
Grammar	91% (72%)
Maths	84% (70%)
Combined	78% (53%)

Pupil Premium. The academy topped up the Pupil Premium by £1000. Results show narrowing or closing the gap between these pupils and the non PP children.

Effectiveness of Early Years Provision (top scale, moderated externally): 84% (70% previous year)

Attendance: 96.3% (one child absent most of year with long term illness)

Punctuality : 99%

Parent/Carer survey: Average positive response over all questions: 81%

b. REVIEW OF ACTIVITIES

Numbers in school have increased from 210 Autumn 2015 to 213 Summer 2016.

Parbold Douglas Nursery Ltd
Parbold Douglas Nursery Ltd numbers continue to grow and support the Reception intake.

Duggies

The number of children attending Duggies before and after school club has increased and school has provided more space within school for this club.

Teaching School

There has been a successful second year for the Teaching School with 23 Associate teachers being awarded PGCE with Qualified Teacher Status. The teaching school works in conjunction with the University of Cumbria who validate the PGCE.

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

The number of schools in the Parbold Douglas Teaching School Alliance has increased to 16 schools as of June 2016. All schools that joined the alliance from September 2015 have requested that they stay within the alliance.

All of the schools currently within the alliance support a similar ethos and 9 are faith schools.

Parbold Douglas Teaching School has supported 1 other Faith school that does not wish to have involvement in the School Direct strand.

In September 2016, 5 schools are not involved in the School Direct strand, but are involved in other Teaching School strands.

During 2015/16 Parbold Douglas Teaching School provided support to Yarrow TSA to develop protocols around TS requirements. Parbold Douglas Teaching School is currently supporting 2 other alliances in their bids to become TSAs, Moorside Academy and Euxton Primrose Hill.

Financial review

a. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. The overall educational provisions of the academy and its continuing excellent academic results mean it has a very good reputation in the community. There is a high demand for places in Reception also linked to the presence in school of the Nursery. The success of the Nursery itself also generates extra income for the academy. For these reasons the Board 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 Accounting Policies.

The Nursery has once again had a successful year, increasing its gross profit by 14% year on year. Bookings for 2016-17 are consistent with the year ended 31 August 2016, and there is now a waiting list indicating there is strong demand for the future. The Nursery success gives governors more confidence in the ability of the Academy to mitigate any adversity in the future.

b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Academy's financial objectives are:

- To set and operate within an agreed and balanced budget,
- To generate extra income through our development of the Parbold Douglas Teaching School
- To apply at all times, best value principles in all purchases,
- To monitor and evaluate the value for money of all staff,
- To prevent all areas of wastage.

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

c. PRINCIPAL RISKS AND UNCERTAINTIES

The Academy has undertaken work during the period to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Based on its mission, the Resources Committee undertakes a comprehensive review of the risks to which the Academy is exposed. They identify systems and procedures, including specific, preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions. In addition to the annual review, the Resources Committee will also consider any risks which may arise as a result of a new area of work being undertaken by the Academy.

A risk register is maintained at the Academy level which is reviewed at least annually by the Resources Committee and more regularly when necessary. The risk register identifies key risks, the likelihood of these risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

This is supported by a risk management training programme to raise awareness of risk throughout the academy

Outlined below is a description of the principal risk factors which may affect the Academy. Not all factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

1. Loss of senior staff. Knowing that our Principal and Vice-principal would retire at the end of the school year a recruitment process was set in place. For stability internal appointments of two joint Vice-principals were made at the end of the summer term. An Associate Principal was appointed pending a substantive appointment.
2. Failure to attract pupils to Reception Class. This was addressed by a marketing strategy including an Open Day, and promoting a seamless transition process from our nursery to the infant section. This was successful to the extent that applications exceeded our admission number of 30 pupils.
3. Viability of Teaching School. This entails recruiting a viable number of students to the School Direct programme.

d. RESERVES POLICY

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Governors have determined that the appropriate level of free reserves should be equivalent to three months net payroll, approximately £160,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves and cash at the bank on 31st August 2016 was £232,597 (2015 £155,042.).

e. MATERIAL INVESTMENTS POLICY

The Academy holds surplus cash balances on short fixed term deposits with Royal Bank of Scotland Bank. During the period the academy acquired 100% of the share capital of the company Parbold Douglas Nursery Limited, a company incorporated in the UK.

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GOVERNORS' REPORT (continued)
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Structure, governance and management

a. CONSTITUTION

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Governors of Parbold Douglas Church of England Academy are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Parbold Douglas Church of England Academy.

Details of the Governors who served during the are included in the Reference and administrative details on page 1.

b. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

In accordance with the Articles of Association two governors are ex officio (The Incumbent of Christ Church Parbold and the Principal.). Three are appointed by Blackburn Diocese and four by the PCC of Christ Church Parbold. Two are elected by parents and two are staff elected by the academy staff.

Governors are appointed for a fixed term of 4 years but are eligible for re-election at the end of the fixed term.

The Governing Body currently comprises of 13 Trust Board members (Board members are appointed as Directors under the Companies Act 2006) including, the principal and two staff governors, both employed by the trust and two parent governors, elected by the parents.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

New trustees have an induction meeting with the Chair of governors and are supplied with relevant documents such as the Articles of Association and they arrange to attend a full day training course for new governors provided by LCC Governor Services. Ongoing training of trustees is bought in from Governor Services. Three trustees have completed Safer Recruitment training this year and the Chair has attended a full day refresher course on the role of the Chair.

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e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Performance management of the Principal is carried out by a panel of three trustees advised by the School Advisor. Three objectives are set for each school year. These are reviewed mid-year by the panel and Advisor and again at the end of the year. On the basis of how well the objectives have been met the panel decides on any progression up the pay scale and this is ratified by the full Board.

Annual individual staff performance objectives are set by the Principal and reviewed at the end of the academic year. Recommendations are submitted by the Principal to a Remuneration committee of trustees who make the final decision on pay progression.

No trustee received any remuneration.

f. ORGANISATIONAL STRUCTURE

The Governing Body roles and responsibilities are reviewed annually in September.

The Governors are organised into a number of committees who form policy to be agreed at main Governing Body meetings. The bodies comprise Health, Safety and Premises, Resources (Staffing & Finance combined) and Standards, remuneration and Teaching School.

The Governors are responsible for setting general policy, including the vision, aims and ethos of the Academy and the monitoring of academic standards, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. During the period under review, Governors held 12 meetings. All Governors receive monthly newsletters and are kept up to date by regular e mail. Many Governors help in school on a regular basis, often accompanying visits and attending events. All Governors have access to all policies, procedures, minutes, accounts, budgets and plans that they need to discharge their Governing Body duties. The Internal Auditor has monitored the changes to processes and makes regular reports to the governing body. The Governing Body approves the Statutory Accounts. The levels of authorisation of budget spend are detailed in the finance manual.

The day to day management of the Academy is delegated by the Governing Body to the Principal who is the Accounting Officer. The Vice Principal and the School Business Manager support the Principal.

The Board and each committee have Terms of Reference which are reviewed annually. Decisions such as approval of the annual budget and the Annual Report are reserved for the Board as are senior staff appointments such as Principal and Vice Principal. The Board also receives and adopts the annual Safeguarding report.

The Academy works closely with the Parbold Douglas Nursery which is a separate company situated within academy premises. This provides a continuum of education from the nursery to the academy reception class based on the Early Years Foundation Stage.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Connected Organisations including Related Party Relationships

There are no related parties, which either control or significantly influence the decisions or operations of Parbold Douglas Church of England Academy. There are no sponsors.

The Academy works closely with parents and our Foundation Parish to further the principal activities of the

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

Academy.

The Academy works closely with Parbold Douglas Nursery Ltd. to provide pre-school education for 2 - 4 year olds.

h. GOVERNORS' INDEMNITIES

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 of up to £2,000,000 on any one claim.

Plans for future periods

a. FUTURE DEVELOPMENTS

- Appointment of new Principal
- Review of Curriculum
- Re-write of Behaviour policy
- Externally moderated Governing Board self-evaluation
- To recruit a viable number of students to our School Direct programme working with our new University partner, Edge Hill University.

Focus: Teaching and Learning

- To improve the quality of teaching and learning in reading and writing throughout the school.
- To review and improve the computing curriculum throughout the school.
- To review and improve curriculum provision throughout the school, so that it is taught creatively and effectively ensuring rigorous progress for all learners.
- To ensure that maths progress is excellent throughout the school, with particular focus on mathematical reasoning.

Focus: Learning Environment

- To review the whole school policy and procedures for Behaviour Management
- To develop opportunities for the children to learn outside the classroom in a creative and inspiring way.

Focus: Leadership and Management

To ensure good communication and smooth operations during period of temporary leadership.

Focus: Church School Distinctiveness

- To build strong links with the parish following the licensing of the new incumbent
- To further develop the unique Christian nature of the school through worship and the Gospel values it promotes.

FUNDS HELD AS CUSTODIAN

There are no funds held as Custodian Trustee on behalf of others.

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

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

AUDITOR

Crowe Clark Whitehill are willing to continue in office and a decision on this will be made at the Annual General Meeting.

This report was approved by order of the board of trustees as the company directors, on 5 December 2016 and signed on its behalf by:



Dr B McGucken
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Parbold Douglas 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 trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Parbold Douglas Church of England Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Dr B McGucken, Foundation Governor & Chair of Governors	20	20
Mr K Hailwood, Foundation Governor, Vice Chair of Governors & Chair of Resources Committee	20	21
Mrs K Baybut, Foundation Governor & Chair Standards Committee	18	18
Mr J. Baker, Foundation Governor & Chair of Premises, Health & Safety	10	11
Mr C Lawson, Staff Governor	10	11
Mrs A Jones, Foundation Governor	18	18
Mrs J Santi, Foundation Governor	12	14
Mr G Carruthers, Foundation Governor	14	18
Rev S Glynn, Ex Officio, Foundation Governor	7	8
Miss C Mawdsley, Support Staff Governor	9	9
Mrs B Cooper, Ex Officio Principal	19	19
Mrs S Rowland, Parent Governor	10	11
Mrs H C Collinson, Parent Governor	14	14

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 trustees 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:

- Obtaining a CIF grant to replace the boiler system. The contract was awarded following a tendering process.
- Quotations for the replacement of KS2 classroom carpets.
- Quotations for ICT updates.

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GOVERNANCE STATEMENT (continued)

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 ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Parbold Douglas Church of England Academy for the year 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 trustees 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 trustees 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 trustees.

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 trustees;
- regular reviews by the audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Mrs Sarah Carruthers as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. All internal audit reports were received by the Governor's at the appropriate times. The internal auditor has delivered the schedule of work as planned, checked details of any material control issues. No such issues were identified.

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GOVERNANCE STATEMENT (continued)

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 auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- 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 Resources 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 trustees on 5 December 2016 and signed on their behalf, by:


Dr B McGucken
Chair of Trustees


Mrs K Pym
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mrs K Pym
Accounting Officer

Date: 5 December 2016

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

The Governors (who act as governors of Parbold Douglas 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 the group 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 group will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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 and the group 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 5 December 2016 and signed on its behalf by:



Dr B McGucken
Chair of Trustees

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY**

We have audited the financial statements of Parbold Douglas Church of England Academy for the year ended 31 August 2016 which comprise the group Statement of financial activities, the group and academy Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR

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 Financial reporting Council'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; 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.

[Handwritten signature]

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY**

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report, incorporating the Group 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:

- 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
- 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; or



Vicky Szulist (Senior statutory auditor)

for and on behalf of

Vicky Szulist (Senior Statutory Auditor)

Crowe Clark Whitehill LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date:

12th December 2016

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 18 October 2012 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 Parbold Douglas 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 Parbold Douglas 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 Parbold Douglas 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 Parbold Douglas Church of England Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING AUDITOR

The accounting officer is responsible, under the requirements of Parbold Douglas Church of England Academy's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 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.

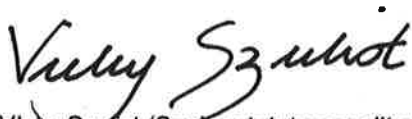
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

CONCLUSION

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



Vicky Szulist (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date: *12th December 2016*

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	3	2,028	-	207,849	209,877	14,392
Charitable activities	6	94,235	855,954	-	950,189	1,002,391
Other trading activities	4	335,971	-	-	335,971	262,177
Investments	5	741	-	-	741	530
TOTAL INCOME		432,975	855,954	207,849	1,496,778	1,279,490
EXPENDITURE ON:						
Parbold Douglas Nursery Limited		200,757	-	-	200,757	191,044
Charitable activities		154,663	822,795	57,661	1,035,119	1,019,773
Other expenditure		-	-	-	-	10,814
TOTAL EXPENDITURE	9	355,420	822,795	57,661	1,235,876	1,221,631
NET INCOME BEFORE OTHER GAINS AND LOSSES		77,555	33,159	150,188	260,902	57,859
Actuarial losses on defined benefit pension schemes	24	-	(175,000)	-	(175,000)	(17,000)
NET MOVEMENT IN FUNDS		77,555	(141,841)	150,188	85,902	40,859
RECONCILIATION OF FUNDS:						
Total funds brought forward		155,042	(157,069)	2,555,587	2,553,560	2,512,701
TOTAL FUNDS CARRIED FORWARD		232,597	(298,910)	2,705,775	2,639,462	2,553,560

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07713512

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		2,632,305		2,555,587
Investments	15		-		-
			<u>2,632,305</u>		<u>2,555,587</u>
CURRENT ASSETS					
Debtors	16	51,778		34,367	
Cash at bank and in hand		472,203		303,028	
		<u>523,981</u>		<u>337,395</u>	
CREDITORS: amounts falling due within one year	17	(71,118)		(90,422)	
			<u>452,863</u>		<u>246,973</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,085,168		2,802,560
CREDITORS: amounts falling due after more than one year	18		(7,706)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			3,077,462		2,802,560
Pension scheme liability	24		(438,000)		(249,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			2,639,462		2,553,560
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	139,090		91,931	
Restricted fixed asset funds	20	2,705,775		2,555,587	
		<u>2,844,865</u>		<u>2,647,518</u>	
Restricted funds excluding pension liability					
Pension reserve		(438,000)		(249,000)	
			<u>2,406,865</u>		<u>2,398,518</u>
Total restricted funds			2,406,865		2,398,518
Unrestricted funds	20		232,597		155,042
TOTAL FUNDS			2,639,462		2,553,560

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the Governors, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:


Dr B McGucken
Chair of Trustees

The notes on pages 27 to 49 form part of these financial statements.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07713512

ACADEMY BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		2,632,305		2,555,587
Investments	15		12,000		12,000
			<u>2,644,305</u>		<u>2,567,587</u>
CURRENT ASSETS					
Debtors	16	164,166		74,848	
Cash at bank		344,218		235,098	
		<u>508,384</u>		<u>309,946</u>	
CREDITORS: amounts falling due within one year	17	(67,521)		(74,973)	
NET CURRENT ASSETS			<u>440,863</u>		<u>234,973</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,085,168</u>		<u>2,802,560</u>
CREDITORS: amounts falling due after more than one year	18		(7,706)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>3,077,462</u>		<u>2,802,560</u>
Defined benefit pension scheme liability	24		(438,000)		(249,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>2,639,462</u>		<u>2,553,560</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	20	139,090		122,749	
Restricted fixed asset funds	20	2,705,775		2,524,773	
		<u>2,844,865</u>		<u>2,647,522</u>	
Restricted funds excluding pension asset					
Pension reserve		(438,000)		(249,000)	
			<u>2,406,865</u>		<u>2,398,522</u>
Total restricted funds			<u>2,406,865</u>		<u>2,398,522</u>
Unrestricted funds	20		232,597		155,038
TOTAL FUNDS			<u>2,639,462</u>		<u>2,553,560</u>

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

ACADEMY BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the Governors, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:


Dr B McGucken
Chair of Trustees

The notes on pages 27 to 49 form part of these financial statements.

PARBOLD DOUGLAS CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

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

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	22	<u>81,675</u>	<u>138,850</u>
Cash flows from investing activities:			
Returns on investments and servicing of finance		741	530
Purchase of tangible fixed assets		(129,310)	(37,067)
Capital grants from DfE/EFA		207,849	-
Net cash provided by/(used in) investing activities		<u>79,280</u>	<u>(36,537)</u>
Cash flows from financing activities:			
Cash inflows from new borrowing		8,220	-
Net cash provided by financing activities		<u>8,220</u>	<u>-</u>
Change in cash and cash equivalents in the year		169,175	102,313
Cash and cash equivalents brought forward		<u>303,028</u>	<u>200,715</u>
Cash and cash equivalents carried forward	23	<u><u>472,203</u></u>	<u><u>303,028</u></u>

PARBOLD DOUGLAS 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.

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

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the academy and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy alone as permitted by section 408 of the Companies Act 2006.

First time adoption of FRS 102

These financial statements are the first financial statements of Parbold Douglas 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 Parbold Douglas 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 29.

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.

PARBOLD DOUGLAS 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 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 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.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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.

PARBOLD DOUGLAS 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)

1.4 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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

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.

The Nursery has once again had a successful year, increasing its gross profit by 14% year on year. Bookings for 2016-17 are consistent with the year ended 31 August 2016, and there is now a waiting list indicating there is strong demand for the future. The Nursery success gives governors more confidence in the ability of the Academy to mitigate any adversity in the future.

PARBOLD DOUGLAS 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)

1.6 Basis of consolidation

The financial statements consolidate the accounts of Parbold Douglas Church of England Academy and all of its subsidiary undertakings ('subsidiaries').

The academy has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the academy was £79,700 (2015 - £40,859).

1.7 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

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

Assets to be inherited from the predecessor school comprise the property and all existing fixtures and fittings and equipment. The assets involved have been recognised in the financial statements on the basis that the lease is agreed, and that the Academy has full use of the assets involved. The property is included at an insurance value based on the cost of rebuilding. The fixture and fittings are included at an amount estimated by the Governors at the date of transfer to the Academy.

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:

Leasehold improvements	-	Between 3 and 8 years
Fixtures, fittings and equipment	-	Between 3 and 4 years

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

PARBOLD DOUGLAS 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)

1.9 Operating leases

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

1.10 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.

1.11 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.

PARBOLD DOUGLAS 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)

1.12 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.

1.13 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.

1.14 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.

1.15 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Except for the Local Government Pension Scheme (LGPS) deficit, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Prepayments and deferred income do not constitute basic financial instruments.

The LGPS pension deficit is recognised at its net present value at each balance sheet date and is based on an annual actuarial valuation. The key judgments in performing this valuation can be found in note (1.17).

1.16 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 24, 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.

PARBOLD DOUGLAS 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)

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

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

1.17 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2016.

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3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	2,028	-	2,028	8,142
Devolved Formula Capital allocations	-	12,410	12,410	6,250
Condition Improvement Fund (CIF)	-	195,439	195,439	-
Total donations and capital grants	2,028	207,849	209,877	14,392

In 2015, of the total income from donations and capital grants, £8,142 was to unrestricted funds and £6,250 was to restricted funds

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Fundraising Income	1,385	-	1,385	2,162
Lettings Income	27,434	-	27,434	27,566
Parbold Douglas Nursery Limited	307,152	-	307,152	232,449
	335,971	-	335,971	262,177

In 2015, of the total income from other trading activities, £262,177 was to unrestricted funds and £ NIL was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	741	-	741	530

In 2015, of the total investment income, £ 530 was to unrestricted funds and £ NIL was to restricted funds.

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6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	710,293	710,293	712,577
LACSEG SEN Funding	-	3,457	3,457	3,312
Pupil Premium	-	19,030	19,030	22,781
Teaching School Funding-SchoolDirect	-	105,388	105,388	165,109
	-	838,168	838,168	903,779
Other government grants				
Other government grants	-	17,786	17,786	18,960
	-	17,786	17,786	18,960
Other funding				
School Meal Income	57,066	-	57,066	50,413
School Trip Income	14,180	-	14,180	9,869
After School Club Income	1,197	-	1,197	1,809
Supply Teacher Insurance Claim	-	-	-	540
Other School Income	21,792	-	21,792	17,021
	94,235	-	94,235	79,652
	94,235	855,954	950,189	1,002,391

In 2015, of the total income from charitable activities, £79,112 was to unrestricted funds and £923,279 was to restricted funds.

7. DIRECT COSTS

	Funding for education £	Total 2016 £	Total 2015 £
Teaching and educational support staff costs	-	-	3,043
Educational Supplies	56,720	56,720	51,346
School uniform costs	424	424	-
Staff development	17,132	17,132	20,901
School trips	18,349	18,349	9,923
Wages and salaries	408,665	408,665	415,205
National insurance	28,414	28,414	27,682
Pension cost	72,789	72,789	58,629
	602,493	602,493	586,729

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NOTES TO THE FINANCIAL STATEMENTS
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7. DIRECT COSTS (continued)

In 2015, the academy incurred the following Direct costs:
£586,729 in respect of Funding for educational operations
£NIL in respect of Other incoming resources

8. SUPPORT COSTS

	Funding for education £	Total 2016 £	Total 2015 £
Maintenance of premises and equipment	26,085	26,085	44,017
Light & heat	14,922	14,922	14,407
Rent & rates	13,614	13,614	12,232
Insurance	7,592	7,592	14,204
Travel expense	54	54	1,625
Printing, Photocopying and Stationery	8,119	8,119	10,361
Telephone	2,177	2,177	2,840
Cleaning	1,909	1,909	1,871
Catering	57,314	57,314	53,111
IT Support costs	13,203	13,203	15,210
Legal & professional	18,190	18,190	8,075
Subscriptions	322	322	37
National School Support	16,051	16,051	18,210
Teaching school	853	853	18,522
Other support costs and governance costs	18,087	18,087	15,174
Wages and salaries	120,019	120,019	109,737
National insurance	36,483	36,483	38,644
Pension cost	19,802	19,802	14,671
Depreciation	57,661	57,661	50,910
	432,457	432,457	443,858

In 2015, the academy incurred the following Support costs:
£443,858 in respect of Funding for educational operations
£NIL in respect of Other incoming resources

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9. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	<i>Total 2015 £</i>
Parbold Douglas Nursery Limited	-	-	200,757	200,757	191,044
Funding for education:					
Direct costs	511,868	-	90,625	602,493	586,729
Support costs	176,304	26,085	230,068	432,457	443,858
	<u>688,172</u>	<u>26,085</u>	<u>521,450</u>	<u>1,235,707</u>	<u>1,221,631</u>

In 2016, of the total expenditure, £355,420 (2015 - £325,052) was to unrestricted funds and £873,335 (2015 - £896,578) was to restricted funds.

10. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	<i>2015 £</i>
Depreciation of tangible fixed assets:		
- owned by the charitable group	57,661	50,909
Auditor's remuneration - audit	6,397	7,448
Auditor's remuneration - other services	650	650
Governance Internal audit costs	600	600
	<u>65,258</u>	<u>66,607</u>

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11. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	526,777	511,637
Social security costs	64,897	66,326
Operating costs of defined benefit pension schemes	92,591	73,300
	684,265	651,263
Supply teacher costs	1,907	13,305
Staff restructuring costs	2,000	-
	688,172	664,568

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

	2016	2015
	No.	No.
Teachers	12	11
Education support	10	9
Other support	6	8
	28	28

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	1	0

During the year ended 31 August 2016 pension contributions for this staff member amounted to £9,670.

One non statutory termination payment was made during the year amounting to £2,000.

The key management personnel of the Academy comprise the Principal and Vice Principal. During the year, Key Management personnel received total employee benefits of £120,612 (2015: £111,858) .

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12. 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	2015
		£	£
Mrs B Cooper, Principal Governor	Remuneration	55,000-60,000	<i>55,000-60,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
Miss C Mawdesley (Staff governor)	Remuneration	10,000-15,000	<i>15,000-20,000</i>
	Pension contributions paid	0-5,000	<i>0-5,000</i>
C Lawson (Staff governor)	Remuneration	30,000-35,000	<i>25,000-30,000</i>
	Pension contributions paid	0-5,000	<i>0-5,000</i>

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

13. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £308 (2015 - £240).

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**NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

Group	Leasehold property £	Leasehold improvements £	Fixtures & fittings £	Total £
Cost				
At 1 September 2015	2,600,000	119,576	5,224	2,724,800
Additions	-	134,379	-	134,379
At 31 August 2016	<u>2,600,000</u>	<u>253,955</u>	<u>5,224</u>	<u>2,859,179</u>
Depreciation				
At 1 September 2015	151,083	16,262	1,868	169,213
Charge for the year	37,000	19,018	1,643	57,661
At 31 August 2016	<u>188,083</u>	<u>35,280</u>	<u>3,511</u>	<u>226,874</u>
Net book value				
At 31 August 2016	<u>2,411,917</u>	<u>218,675</u>	<u>1,713</u>	<u>2,632,305</u>
At 31 August 2015	<u>2,448,917</u>	<u>103,314</u>	<u>3,356</u>	<u>2,555,587</u>

The Academy Fixed assets are identical to those of the group, as disclosed above.

15. FIXED ASSET INVESTMENTS

Academy	Shares in group undertakings £
At 1 September 2015 and 31 August 2016	<u>12,000</u>

The academy owns 100% of the share capital of the company Parbold Douglas Nursery Limited, a company incorporated in the UK.

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16. DEBTORS

	<u>Group</u>		<u>Academy</u>	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	6,180	-	-	-
Amounts owed by group undertakings	-	-	118,568	41,008
Other debtors	23,812	6,186	23,812	6,186
Prepayments and accrued income	21,786	28,181	21,786	27,654
	<u>51,778</u>	<u>34,367</u>	<u>164,166</u>	<u>74,848</u>

**17. CREDITORS:
Amounts falling due within one year**

	<u>Group</u>		<u>Academy</u>	
	2016 £	2015 £	2016 £	2015 £
Other loans	514	-	514	-
Trade creditors	-	2,298	-	-
Other taxation and social security	9	11,250	9	9,388
Other creditors	11,813	16,041	8,813	13,491
Accruals and deferred income	58,782	60,833	58,185	52,094
	<u>71,118</u>	<u>90,422</u>	<u>67,521</u>	<u>74,973</u>

	<u>Group</u>		<u>Academy</u>	
	£	£	£	£
Deferred income				
Deferred income at 1 September 2015	-	31,673	-	31,673
Resources deferred during the year	-	24,439	-	30,641
Amounts released from previous years	-	(31,673)	-	(31,673)
Deferred income at 31 August 2016	<u>-</u>	<u>24,439</u>	<u>-</u>	<u>30,641</u>

Deferred income relates to free school meals and income received in advance for school trips and music lessons.

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18. CREDITORS:
Amounts falling due after more than one year

	Group		Academy	
	2016	2015	2016	2015
	£	£	£	£
Other loans	7,706	-	7,706	-

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Academy	
	2016	2015	2016	2015
	£	£	£	£
Repayable by instalments	7,706	-	7,706	-

The funding for CIF project was part funded through an interest-free Salix energy efficiency loan. Loan funding is calculated up to a maximum of an 8-year payback and will be recovered by a reduction in the monthly general Annual Grant (GAG) payments issued by the Education Funding Agency.

19. FINANCIAL INSTRUMENTS

	2016	2015
	£	£
Financial assets measured at amortised cost	505,495	312,312
Financial liabilities measured at amortised cost	40,760	61,230

Financial assets measured at amortised costs within the academy are £489,898 (2015:£285,390).
Financial liabilities measured at amortised costs within the academy are £37,213 (2015: £43,231)

Financial assets consist of cash, trade debtors, amounts owed by group undertakings and other debtors.
Financial liabilities consist of trade creditors, other creditors and accruals.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General unrestricted funds	155,042	125,823	(154,663)	106,395	-	232,597
Parbold Douglas Nursery Limited	-	307,152	(200,757)	(106,395)	-	-
	<u>155,042</u>	<u>432,975</u>	<u>(355,420)</u>	<u>-</u>	<u>-</u>	<u>232,597</u>
Restricted funds						
General Annual Grant (GAG)	56,793	710,293	(627,996)	-	-	139,090
LANSEC SEN Funding	-	3,457	(3,457)	-	-	-
Pupil Premium	-	19,030	(19,030)	-	-	-
Other government grants	-	10,205	(10,205)	-	-	-
School Direct	35,138	7,581	(42,719)	-	-	-
Teach First	-	51,388	(51,388)	-	-	-
Teaching School Funding	-	54,000	(54,000)	-	-	-
Pension reserve	(249,000)	-	(14,000)	-	(175,000)	(438,000)
	<u>(157,069)</u>	<u>855,954</u>	<u>(822,795)</u>	<u>-</u>	<u>(175,000)</u>	<u>(298,910)</u>
Restricted fixed asset funds						
Transfer of Building	2,552,231	-	(56,018)	-	-	2,496,213
Fixtures and fittings	3,356	12,410	(1,643)	-	-	14,123
Condition Improvement Fund (CIF)	-	195,439	-	-	-	195,439
	<u>2,555,587</u>	<u>207,849</u>	<u>(57,661)</u>	<u>-</u>	<u>-</u>	<u>2,705,775</u>
Total restricted funds	<u>2,398,518</u>	<u>1,063,803</u>	<u>(880,456)</u>	<u>-</u>	<u>(175,000)</u>	<u>2,406,865</u>
Total of funds	<u>2,553,560</u>	<u>1,496,778</u>	<u>(1,235,876)</u>	<u>-</u>	<u>(175,000)</u>	<u>2,639,462</u>

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

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20. STATEMENT OF FUNDS (continued)

Restricted General Funds are used specifically to provide educational resources for the pupils of the Academy. Restricted Fixed Asset Funds provide for the installation, maintenance and repair of the Fixed Assets of the Academy. Unrestricted Funds are those other resources which may be used to further the objectives of the Academy.

The transfer from the restricted general funds to fixed assets reflect capital expenditure from GAG funding. The transfer from unrestricted funds to restricted funds represents unrestricted funds providing for the provision of education in line with GAG conditions and the repayment of the lottery grant.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2016. Note 2 discloses whether the limit was exceeded.

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	2,632,305	2,632,305	2,555,587
Current assets	232,597	217,914	73,470	523,981	337,319
Creditors due within one year	-	(71,118)	-	(71,118)	(90,345)
Creditors due in more than one year	-	(7,706)	-	(7,706)	-
Provisions for liabilities and charges	-	(438,000)	-	(438,000)	(249,000)
	<u>232,597</u>	<u>(298,910)</u>	<u>2,705,775</u>	<u>2,639,462</u>	<u>2,553,560</u>

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

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	260,902	57,859
Adjustment for:		
Depreciation charges	57,661	50,909
Returns on investments and servicing of finance	(741)	(530)
(Increase)/decrease in debtors	(17,487)	12,965
(Decrease)/increase in creditors	(24,811)	7,647
Capital grants from DfE and other capital income	(207,849)	-
FRS 17 pension cost less contributions payable	27,000	26,000
FRS 17 pension finance income	(13,000)	(16,000)
Net cash provided by operating activities	81,675	138,850

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	472,203	303,028
Total	472,203	303,028

24. PENSION COMMITMENTS

The group'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 Tameside MBC. Both are Multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

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24. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

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

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 £52,308 (2015 - £49,906).

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).

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 £36,382 (2015 - £30,736), of which employer's contributions totalled £26,383 (2015 - £23,394) and employees' contributions totalled £9,999 (2015 - £7,342). The agreed contribution rates for future years are 15.2% for employers and 5.5% 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.

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24. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	4.00 %
Expected return on scheme assets at 31 August	4.18 %	5.92 %
Rate of increase in salaries	3.30 %	3.80 %
Rate of increase for pensions in payment / inflation	1.90 %	2.30 %
Inflation assumption (CPI)	1.80 %	2.30 %

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	22.9
Females	25.6	25.4
Retiring in 20 years		
Males	25.2	25.1
Females	27.9	27.8

The group's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	165,000	108,000
Government bonds	-	17,000
Other bonds	11,000	8,000
Property	41,000	28,000
Cash/liquidity	15,000	4,000
Other	197,000	146,000
	<hr/>	<hr/>
Total market value of assets	429,000	311,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £82,000 (2015 - £11,000).

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24. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	560,000	485,000
Actuarial losses	244,000	12,000
Contributions by employees	10,000	10,000
Interest cost	21,000	21,000
Current service cost	40,000	36,000
Benefits paid	(8,000)	(4,000)
	<u>867,000</u>	<u>560,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	311,000	263,000
Expected return on assets	13,000	16,000
Actuarial gains and (losses)	69,000	(5,000)
Administration expenses	(1,000)	-
Contributions by employer	35,000	31,000
Contributions by employees	10,000	10,000
Benefits paid	(8,000)	(4,000)
	<u>429,000</u>	<u>311,000</u>

25. OPERATING LEASE COMMITMENTS

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

Group and Academy	2016 £	2015 £
Amounts payable:		
Within 1 year	3,072	4,559
Between 1 and 5 years	3,695	5,586
Total	<u>6,767</u>	<u>10,145</u>

26. RELATED PARTY TRANSACTIONS

During the year the Academy incurred costs of £600 for the internal audit which was carried out by S Carruthers, who is the wife of foundation governor Mr G Carruthers. All related party transactions are inline with the Academies Financial Handbook and Academies Accounts Direction 2015/16.

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(A company limited by guarantee)

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

26. RELATED PARTY TRANSACTIONS (continued)

The academy has utilised the exemption in FRS 102 not disclose transactions with wholly owned group companies.

27. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Parbold Douglas Nursery Ltd	England	100	Nursery education

The results of the subsidiary for the year are, turnover £307,152, expenditure £200,757 including gift aided profit, current assets £134,165 and current liabilities £122,165. Parbold Douglas Nursery Limited is registered at Companies House (08466952).

28. MEMBERS' LIABILITY

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

29. 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.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

