

**REGISTERED COMPANY NUMBER: 08476253 (England and Wales)**

**Report of the Governors and  
Financial Statements For The Year Ended 31st August 2016  
for**

**GRAHAM JAMES PRIMARY ACADEMY**

**Wilkins Kennedy LLP  
Statutory Auditor  
Chartered Accountants  
1-5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG**

**GRAHAM JAMES PRIMARY ACADEMY**

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For The Year Ended 31st August 2016**

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## **GRAHAM JAMES PRIMARY ACADEMY**

**Reference and Administrative Details  
For The Year Ended 31st August 2016**

### **MEMBERS**

K S Bassett  
N Tolan-Wheeler (resigned 6/7/2016)  
S M Mansfield  
A Sams  
D G Wheatley  
T Myers  
B Lane  
H Fonfara  
P Back  
O Thurbon

### **GOVERNORS**

B Lane (Chair of Governors)  
P Back (Headteacher)  
T Myers  
N Tolan-Wheeler (resigned 6/7/2016)  
H Fonfara  
J Cullen (resigned 14/10/2015)  
O Thurbon  
K S Bassett  
S M Mansfield  
D G Wheatley  
A Sams

### **SENIOR MANAGEMENT TEAM**

J Conroy  
B Burgess  
P Back  
R Turner

### **REGISTERED OFFICE**

Graham James Primary Academy  
The Sorrells  
Stanford-le-Hope  
Essex  
SS17 7BS

**REGISTERED COMPANY NUMBER** 08476253 (England and Wales)

### **AUDITORS**

Wilkins Kennedy LLP  
Statutory Auditor  
Chartered Accountants  
1-3 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

**GRAHAM JAMES PRIMARY ACADEMY**

**Reference and Administrative Details  
For The Year Ended 31st August 2016**

**SOLICITORS**

Stone King LLP  
16 St John's Lane  
London  
CIM 4BS

**BANKERS**

Lloyds Bank PLC  
Stanford-le-Hope Branch  
PO Box 1000  
BX1 1LT

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Report of the Governors For The Year Ended 31st August 2016**

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

The Trust operates an academy for pupils aged 2½ to 11 servicing a catchment area in Stanford-le-Hope & Corringham. It has a pupil capacity of 480 and had a roll of 309 in the school census on 21 May 2015.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives and aims**

The Academy is expanding over the next few years to a two form entry primary. We have two classes in Reception, Yr1, Yr2, Yr3 and Yr4 and one class in Yr5 and Yr6. We have a sixty place nursery that takes children from 2½ years.

The principal objective of the Academy is specifically restricted to the following, to advance for the public benefit education in the United Kingdom, by establishing, maintaining, managing and developing a school offering a broad and balanced curriculum.

We aim to foster a life-long love of learning, through adopting a highly practical and cross-curricular approach to learning.

Our main curriculum aims are:

1. To provide a broad and balanced education so that every pupil achieves their full potential and makes progress wherever their starting points are.
2. To ensure that all pupils enjoy their learning, are confident enough to take risks and are independent enough to make decisions about their own learning.
3. To promote equality and a love of learning, our motto is 'caring to learn, learning to care'.
4. To ensure all children are equipped with the skills they need to move on to their next phase in education and to value their community and how they can contribute positively to it.

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Report of the Governors For The Year Ended 31st August 2016**

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#### **OBJECTIVES AND ACTIVITIES**

##### **Objectives, Strategies and Activities**

The main priorities of the Academy during the year ended August 2016 are:

- o To ensure that every child enjoys the same high quality education in terms of resourcing, teaching and care.
  - o To raise the standard of educational achievement of all pupils with a continued focus on reading, writing and maths.
  - o To ensure all pupils in vulnerable groups attain and progress at least in line with or above national expectations for similar groups.
  - o To continue to raise standards of teaching so that more lessons are outstanding.
- 
- o To continue to improve the effectiveness of the Academy by regularly reviewing the curriculum and the organisational structure and to work in partnership with the other Academies in our Umbrella Trust to ensure consistency through moderation and training.
  - o To ensure staff receive the support they need to develop professionally and to offer support to other local schools and academies where required.
  - o To provide value for money for the funds expended.
  - o To comply with the statutory and curriculum requirements.
  - o To conduct the Academy business in accordance with the highest standards of integrity, probity and openness.

The Academy values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination or prejudice.

Graham James is an important part of the community. Our aim is for each individual, regardless of gender, race, culture and background, to reach their full potential in an inclusive environment. We have the support to try, the confidence to fail and the encouragement and challenge to reach our potential in a safe, stimulating and happy atmosphere. We believe in parents/carers as partners in education, value their knowledge of their child and recognise their role in the decision-making process. We are a team that work together to achieve high standards of learning, of moral and social behaviour and to develop a sense of value and high self-esteem.

Governors will contribute to the life of the school on a wider scale, acting as a critical friend to support the school in its drive towards outstanding.

#### **Public benefit**

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. The Academy admits sixty pupils in to two Reception classes on the basis of the following criteria in priority order:

1. Looked After Children & previously looked after children
2. Catchment area siblings
3. Non-catchment area siblings
4. Catchment area children
5. Non-catchment area children

The school is heavily oversubscribed and in 2016 there were seventy four first choice applicants for sixty places.

#### **Disabled persons**

The Academy complies fully with DDA regulations and is equipped to welcome and/or teach any child or adult with a disability. Reasonable adjustments will be made to ensure access for pupils, staff and visitors (including parents, carers) with disabilities (this not only includes physical access, but takes account wider access to school information and activities).

## GRAHAM JAMES PRIMARY ACADEMY

### Report of the Governors For The Year Ended 31st August 2016

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#### OBJECTIVES AND ACTIVITIES

##### Equal opportunities policy

The Governors believe that equality at our school should permeate all aspects of school life and is the responsibility of every member of the school and wider community. Every member of the school community should feel safe, secure, valued and of equal worth. At Graham James Primary Academy equality is a key principle for treating all people the same irrespective of their gender, ethnicity, disability, religious beliefs/faith, tradition, sexual orientation, age or any other of the protected characteristics (Equality Scheme 2012- 2015).

#### STRATEGIC REPORT

##### Achievement and performance

##### *Achievements and performance*

Pupil attainment at The Academy is in line with the national averages. Pupil progress compares favourably with national averages.

##### Early Years Foundation Stage

Most children start at the school with skills that are below expectations for their age. Pupils attain standards that are broadly in line with National expectations by the end of the Foundation Stage (Reception Year).

##### Key Stage 1

Overall attainment at Key Stage 1 were broadly in line with National in reading, writing and maths.

##### Key Stage 2

The school's end of Year 6 results in reading writing and maths in line with national average. Progress from the end of Key Stage 1 to the end of Key Stage 2 was in line with national for expected progress.

Other achievements at the school during the 2015-2016 academic year include:

- a) Series of extremely well received performances/presentations throughout the year which included:-
  - o Harvest and Easter services KS1 & KS2 Christmas performances/ KS1/2 carol concerts, Year 6 Leavers assembly. Class assemblies across all Year groups, Sky TV Game Changers competition.
- b) Participation and success in events and competitions beyond the school
  - o Sporting successes- e.g. football, athletics, cross country
  - o Music- Choir, 2nd in local competition
- c) Continued improvement in the quality of school meals since the Academy has adopted their own menu
- d) Strong support given to local schools by Head Teacher (LLE)

To ensure that standards are continually improving the Academy undertakes regular internal reviews of the curriculum and of teaching and learning which includes classroom observation, pupil work scrutiny and the analysis of pupil achievement data. The Academy is part of an umbrella Trust & Thurrock Teaching School Alliance.

- o Pupils attend regularly and behave well both in lessons and around the school. They say they feel safe in school.
- o The Headteacher, leadership team and governors work closely and very effectively together to make sure that teaching and achievement continue to improve.
- o Parents and carers are positive about the school. They believe that their children are happy in school and are being taught well.

## GRAHAM JAMES PRIMARY ACADEMY

### Report of the Governors For The Year Ended 31st August 2016

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#### STRATEGIC REPORT

##### Achievement and performance

##### *Key financial performance indicators*

The main KPI is the Ofsted Framework for Inspection and the school evaluates each area on a regular basis.

Inspectors use four key judgements. These are:

- the achievement of pupils at the school
- the quality of teaching in the school
- the behaviour and safety of pupils at the school
- the quality of leadership in and management of the school

In addition, inspectors must also consider:

- the spiritual, moral, social and cultural development of pupils at the school
- the extent to which the education provided by the school meets the needs of the range of pupils at the school, and in particular the needs of:
  - o pupils who have a disability for the purposes of the Equality Act 2010
  - o pupils who have special educational needs

The school is currently addressing the two aspects which are required for it to be outstanding. They are:

- o Improve handwriting skills
- o Tighten maths marking procedures
- o Improve attendance for FSM children



## GRAHAM JAMES PRIMARY ACADEMY

### Report of the Governors For The Year Ended 31st August 2016

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#### STRATEGIC REPORT

##### Financial review

##### *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 whenever possible be equivalent to four weeks' expenditure, approximately £120k. 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 is £232k (2015: £155k) (total funds less the amount held in fixed assets and restricted funds). The Academy will review the reserves policy on an annual basis. The academy have higher reserves due to saving for future years budgets where there may be uncertainty with government grants and what will be received.

##### Investment policy

Under the Memorandum and Articles of Association, the Academy has the power to invest in the name of the Academy Trust such part of the funds as they may see fit. The Academy aims to have a positive cash balance to cover eventualities and unforeseen expenses not budgeted for and hence not included in the cash flow. It is the responsibility of the School Management to generate as much bank interest as possible from any cash balances that the school may have. Investments though must guarantee complete integrity of funds and be consistent with the ethos, aims and objectives of the school. Investments other than bank deposits must be approved by the Governing body before being entered into.

##### Financial position

The Academy held fund balances at 31 August 2016 of £1,560k (2015: £1,588k) comprising £225k (2015: £142k) of restricted funds and £7k (2015: £13k) of unrestricted general funds. Of the restricted funds, £1,682k (2015: £1,787k) is represented by tangible fixed assets. The pension reserve which is considered part of restricted funds was £748k (2015: £354k) in deficit.

##### Financial report for the year

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

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure of £1,512k (2015: £1,263k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £113k (2015: 105k).

At 31 August 2016 the net book value of fixed assets was £1,682k (2015: £1,787k). Movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Essex Pension Fund, in which the Academy participates, The Academy's share of the fund's assets and liabilities shows a deficit of £748k at 31 August 2016 (2015: £354k). Of this sum, £218k was inherited by Graham James Primary Academy from Thurrock Council on 1st May 2013, the date the local authority's staff transferred to employment with the Academy.

## GRAHAM JAMES PRIMARY ACADEMY

### Report of the Governors For The Year Ended 31st August 2016

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#### STRATEGIC REPORT

##### Financial review

##### *Going concern*

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

##### Risk management objectives and policies

The financial risks to which Graham James Primary Academy is exposed to relate primarily to a shortfall in pupil numbers, cash flow, government funding changes and policy.

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £354k.

##### Principal Risks and Uncertainties

The principal risks and uncertainties that Graham James Primary Academy faces are mitigated by the risk management process that the Academy Trust has in place reviewing the school's risk register on a regular basis.

##### Risk management

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and educational visits) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The directors have put in place a reserve policy that has ring-fenced £120k (to be increased in Nov FGM as payroll has increased) as a cushion against reduced funding and cashflow shortfalls in future. There has been a review of leadership and management to address Key Management succession plans. Where significant financial risk still remains they have ensured they have adequate insurance cover through Zurich.

##### Future plans

The Academy will continue striving to improve the levels of performance of its pupil at all levels and will continue its efforts to ensure its pupils are well prepared for secondary school when they leave.

The Academy has a very clear understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning combined with its recent Ofsted inspection. The School Development plan (SDP) has all the correct areas identified for improvement and is based on regular analysis of data which is carefully analysed by the head Teacher and the senior staff. The SDP is regularly monitored and amended annually by the SLT and Governors. It is underpinned by appropriate budget links. The priorities for the 2015-2016 academic year are:

1. To raise attainment and achievement in Reading
2. To raise attainment and achievement in Writing and Maths taking into account gender differences
3. To develop effective analysis systems of assessment
4. To embed effective Assessment For Learning Strategies
5. To ensure consistency as the Academy grows in size.
6. To develop Middle Leadership and Management structures
7. To consider curriculum links to improve the creative approach to planning the curriculum
8. To ensure improvements to disability access continue
9. External Repair and Painting
10. Internal Decoration

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Report of the Governors For The Year Ended 31st August 2016**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Constitution**

The Academy Trust is a company limited by guarantee with no share capital (registration no. 8476253) and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Governors act as the Trustees for the charitable activities of Graham James Primary Academy and are also Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Graham James Primary Academy. Details of the Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Graham James Primary Academy was incorporated on 5 April 2013 and obtained Academy status from 1 May 2013.

##### **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.

##### **Principal activities**

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

##### **Method of Recruitment and Appointment or Election of Governors**

The members of the Academy Trust shall comprise the signatories to the Memorandum, 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose, the Chairman of the Governors and any person appointed under Article 16.

The number of Governors shall be not less than three, but shall not be subject to a maximum. The first Governors were those named in the initial Memorandum. The Academy Trust shall have the following Governors; up to eleven other Governors; two Staff Governors, four parent Governors; the Headteacher, any Additional Governors if appointed under Article 62, 62A or 68A; and any Further Governors if appointed under Article 63 or Article 68A. The Academy may also have up to three Co-opted Governors, a person who is appointed to be a Governor by being co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if the number of Governors who are employed by the Academy Trust would thereby exceed one third of the total number of Governors (including the Head Teacher).

Each of the persons entitled to appoint members above shall have the right, from time to time by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The term of office for any Governor shall be four years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Report of the Governors For The Year Ended 31st August 2016**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Organisational structure**

The Structure consists of four levels: the Governors, the Senior Leadership Team, the Middle Leaders and the Curriculum Subject Leaders. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting a school development 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 year under review the Governors held ten meetings. The Governing Body also appointed two standing sub-committees; the Finance, Premises and Personnel and the Pupil and Curriculum Committee (the functions of which are referred to in the Governance Statement on page 11). The Governing Body also appoints other sub-committees as required. The Governing Body has also appointed a Clerk who attends at Governing Body meetings and who assists and advises Governors as appropriate.

The Senior Leadership Team comprises the Headteacher, the Deputy Headteacher, the Assistant Headteacher and the Academy Manager. These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment panels for middle and senior leader posts will contain at least one Governor. The Senior Leadership Team pay is set in line with the national pay scales.

Teacher's salaries are set by the Governing Body following Schools Pay and Conditions and are reviewed yearly in line with the Academy Performance Management/Appraisal procedure. The Academy Manager's salary is reviewed yearly in line Performance Management.

##### **Policies and Procedures Adopted for the Induction and Training of Governors**

The training and induction provided for new Governors depends on their existing experience. All new Governors are given a tour of the School and the chance to meet with staff and pupils. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction tends to be done informally and is tailored specifically to the individual.

During their terms of office all Governors receive additional training, including from external training providers. Governors also undertake Governor visits to the School and meet with staff on a regular basis to keep themselves informed and updated.

##### **Connected Organisations including Related Party Relationships**

Graham James Primary Academy is part of an umbrella trust with Abbots Hall Primary, Giffards Primary School & Hassenbrook Academy. We work together towards mutual support and improved learning outcomes for all the children. As of 1st September 2016 Hassenbrook Academy joined a MAT and therefore are no longer part of the umbrella trust.

##### **Risk management**

The governors have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

The Governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

##### **AUDITORS**

The auditors, Wilkins Kennedy LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

**GRAHAM JAMES PRIMARY ACADEMY**

**Report of the Governors  
For The Year Ended 31st August 2016**

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Report of the governors, incorporating a strategic report, approved by order of the board of governors, as the company directors, on 28/11/16 and signed on the board's behalf by:



B Lane - Chair of Governors

## GRAHAM JAMES PRIMARY ACADEMY

### Governance Statement For The Year Ended 31st August 2016

#### Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Headteacher, 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 Graham James Primary Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met seven times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Bradley Lane	7	7
Petra Back	6	7
Terry Myers	7	7
Nicola Tolau-Wheeler	4	4
Helga Fonfara	5	5
Owen Thurbon	5	5
Stephen Mansfield	4	5
Kevin Bassett	7	7
Dennis Wheatley	4	5
Alex Sains	3	5

The Finance & Premises & Personnel Committee is a sub-committee of the main Governing Body. Its purposes include: - to present to the governing body for approval an annual budget; to ensure budget monitoring; to make appropriate recommendations to the governing body as to the appointment or removal of the external auditors and to consider the engagement of the external auditors in respect of any non-audit services; and to oversee the systems of internal control including measures for the safeguarding of assets, prevention of financial crime and consideration of the approval of the statement of internal control.

The Finance & Premises & Personnel Committee also considers HR and other resourcing issues and also Health & Safety issues. Attendances at meetings in the year were as follows:

Governor	Meetings attended	Out of a possible
Bradley Lane	2	2
Petra Back	2	2
Terry Myers	2	2
Stephen Mansfield	2	2
Kevin Bassett	2	2
Alex Sains	1	2

The Pupil and Curriculum Committee is a sub-committee of the main governing body. Its purposes include to monitor and evaluate pupil achievement, to review the curriculum and associated policies, including RE and to monitor teaching and learning in the school.

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Governance Statement For The Year Ended 31st August 2016**

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#### **Review of Value for Money**

The accounting officer is responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer is aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Set out below are examples indicating how the academy trust's use of its resources has provided good value for money during the academic year.

#### **Improving Educational Results**

##### **• Targeted Improvement**

We regularly review the staffing structure to ensure staff are efficiently deployed and are appropriately qualified and experienced to give the pupils the best educational opportunities as they move through all phases at the Academy. We regularly review the curriculum to ensure it is broad and balanced and provides the pupils with all the skills they need for the next phase in their academic journey. We continue to work with the other Academies in our Umbrella Trust and have joined together for school improvement projects and training to ensure the best value for money and training opportunities.

##### **• Focus on Individual Pupils**

We ensure all pupils receive quality first teaching and support. Our SENCO and her team provide quality interventions to those children that require additional support both learning and social. We deploy qualified and experienced teaching staff to support children with additional needs and those that are more able to ensure all pupils make the most progress they can. We have expanded our support staff team to meet the needs of our expanding school and the varying needs of the children.

##### **• Collaboration**

We have worked closely with the other academies in our Umbrella Trust to provide support to pupils, to provide CPD for staff to raise standards and to join together for financial best value also. The Academy also works closely with other local schools under the Cluster arrangement which has provided continued CPD for all staff and leadership teams. We have shared data across the Umbrella Trust and moderated assessments.

##### **• New Initiatives**

We continue to investigate ways to improve our provision and have worked hard to produce a relevant curriculum that meets the needs of our children and their families. We have invested our Sport Premium Funding with West Ham Football Club who have enhanced the curriculum in many ways from PE to improving Self Esteem.

##### **• Quantifying Improvements**

Our attainment and progress continues to be within the National Average figures and above. We continue to strive to improve standards year on year and this is evidenced in our results at both keystages. Attendance is above national and we were judged outstanding for behaviour and safety in our most recent Ofsted inspection. The academy trust continues to ensure this level is maintained and improved on by continued professional development and collaboration with local primary schools.

#### **Financial Governance and Oversight**

Our financial governance and oversight is strong, with a high level of expertise on our Governing Body and Finance Governors Sub-Committee.

Accounts are prepared and presented to the Governing Body at every meeting of the Finance Sub-Committee and are discussed and agreed.

Spending proposals are costed and presented to Senior Leaders/Governors and challenged appropriately.  
(continued)

Governors have instructed Internal Control Audits termly which are overseen by the Finance Committee and any recommendations are considered.

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Governance Statement For The Year Ended 31st August 2016**

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#### **Review of Value for Money**

##### **Better Purchasing**

The Academy Manager has been influential in driving down costs through better procurement and negotiations throughout the year.

##### **• Fitness for Purpose**

All contracts are reviewed on an annual basis to ensure they are still fit for purpose and best value for our academy. The Academy has negotiated a maintenance contract for the next three years which has proven to be more cost effective than our previous system. We continue to pursue contracts that can be negotiated across the Umbrella Trust.

##### **• Benchmarking**

The Academy spend is benchmarked against other academies and areas where we over or under spend have been investigated and assurances provided that the spend is appropriate to our Academy.

##### **• Options Appraisal**

The Academy ensures the tendering process is strictly followed in line with our Financial Regulations and policies. All required quotes are obtained and reviewed to ensure the best value for money is achieved. Governors provide support and challenge on all decisions to ensure this is the case.

##### **• Economies of Scale**

The Trust continues to work with the Umbrella Trust partners to consider any opportunities to reduce and share administration and procurement costs.

#### **Building Improvements**

The Academy successfully won a bid from the DfE for £123,664 to install fire breakers in the roof void throughout the existing part of the school, along with this the ceilings were replaced with new tiles.

#### **Lessons Learned**

All service contracts are under review to ensure we receive the best value for money and the best service. We have identified a need to increase the ICT hardware and technical support and are in negotiations with the Umbrella Trust's Academies to investigate a way forward to support this process. We are also looking into Site Support across the Umbrella.

#### **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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in Graham James Primary Academy for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

#### **The Risk and Control Framework**

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



## GRAHAM JAMES PRIMARY ACADEMY

### Governance Statement For The Year Ended 31st August 2016

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#### The Risk and Control Framework

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance & Premises & Personnel 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed an auditor from Essex County Council as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

All planned work was carried out and no material control issues were discovered.

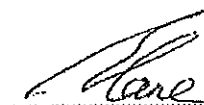
#### Review of Effectiveness

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

- o the work of the internal auditor;
- o the work of the external auditor;
- o the financial management and governance self assessment process;
- o the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance & Premises & Personnel 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 28/11/16 and signed on its behalf by:



B Lane - Chair of Governors



Petra Back - Accounting Officer

GRAHAM JAMES PRIMARY ACADEMY

Statement on Regularity, Propriety and Compliance  
For The Year Ended 31st August 2016

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As accounting officer of Graham James Primary Academy I have considered my responsibility to notify the charitable company board of governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company 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 charitable company board of governors are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company'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 governors and EFA.

*P. Baack*

.....  
Petra Baack - Accounting Officer

Date: *28/11/16* .....

## GRAHAM JAMES PRIMARY ACADEMY

### Statement of Governors Responsibilities For The Year Ended 31st August 2016

The Governors (who act as Trustees for charitable activities of Graham James Primary 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 Directions issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

The Governors are responsible for ensuring that in its conduct and operation, the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DFB have been applied for the purposes intended.

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

Approved by order of the board of governors on ...28/11/16..... and signed on it's behalf by:



B Lane - Chair of Governors

**Report of the Independent Auditors to the Members of  
Graham James Primary Academy**

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We have audited the financial statements of Graham James Primary Academy for the year ended 31st August 2016 on pages twenty two to forty four. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices) and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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

**Respective responsibilities of governors and auditors**

As explained more fully in the Statement of Governors Responsibilities set out on page seventeen, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st 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 Practices;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

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

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

**Report of the Independent Auditors to the Members of  
GRAHAM JAMES PRIMARY ACADEMY**

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

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

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

*Wilkins Kennedy LLP*

Mandy Wilson (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy LLP  
Statutory Auditor  
Chartered Accountants  
1-5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

Date: *20th December 2016*

## **Independent Reporting Accountant's Assurance Report on Regularity to Graham James Primary Academy and the Education Funding Agency**

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In accordance with the terms of our engagement 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 Graham James Primary Academy during the period 1st September 2015 to 31st 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 Graham James Primary Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Graham James Primary 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 Graham James Primary Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Graham James Primary Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Graham James Primary Academy's funding agreement with the Secretary of State for Education dated 1st May 2013 and the Academies Financial Handbook, extant from 1st September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1st September 2015 to 31st 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 charitable company's income and expenditure.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

Independent Reporting Accountant's Assurance Report on Regularity to  
Graham James Primary Academy and the Education Funding Agency

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**Conclusion**

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

*Wilkins Kennedy LLP*

Reporting Accountant  
Wilkins Kennedy LLP  
1-5 Nelson Street  
Southend on Sea  
Essex  
SS1 1EG

Date: *20th December, 2016*

**GRAHAM JAMES PRIMARY ACADEMY**

**Statement of Financial Activities  
For The Year Ended 31st August 2016**

	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed asset fund £'000	2016 Total funds £'000	2015 Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	3	24	22	-	46	98
Charitable activities						
Funding for the academy's educational operations	4	-	1,442	-	1,442	1,178
Other trading activities	5	-	137	-	137	92
<b>Total</b>		<b>24</b>	<b>1,601</b>	<b>-</b>	<b>1,625</b>	<b>1,368</b>
<b>EXPENDITURE ON</b>						
Charitable activities						
Academy's educational operations		30	1,536	141	1,707	1,398
<b>NET INCOME/(EXPENDITURE)</b>		<b>(6)</b>	<b>65</b>	<b>(141)</b>	<b>(82)</b>	<b>(30)</b>
Transfers between funds	17	-	(36)	36	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	(340)	-	(340)	-
<b>Net movement in funds</b>		<b>(6)</b>	<b>(311)</b>	<b>(105)</b>	<b>(422)</b>	<b>(30)</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		13	(212)	1,787	1,588	1,618
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>7</b>	<b>(523)</b>	<b>1,682</b>	<b>1,166</b>	<b>1,588</b>

The notes form part of these financial statements



# GRAHAM JAMES PRIMARY ACADEMY

## Balance Sheet At 31st August 2016

		2016 £'000	2015 £'000
<b>FIXED ASSETS</b>	Notes		
Tangible assets	12	1,682	1,787
<b>CURRENT ASSETS</b>			
Debtors	13	19	17
Cash at bank and in hand		294	212
		<u>313</u>	<u>229</u>
<b>CREDITORS</b>			
Amounts falling due within one year	14	(81)	(74)
<b>NET CURRENT ASSETS</b>		<u>232</u>	<u>155</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,914	1,942
<b>PENSION LIABILITY</b>	18	(748)	(354)
<b>NET ASSETS</b>		<u>1,166</u>	<u>1,588</u>
<b>FUNDS</b>	17		
Unrestricted funds:			
General fund		7	13
Restricted funds:			
General Restricted Fund		225	142
Pension fund		(748)	(354)
Fixed asset fund		1,682	1,787
		<u>1,159</u>	<u>1,575</u>
<b>TOTAL FUNDS</b>		<u>1,166</u>	<u>1,588</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The financial statements were approved by the Board of Governors on 28/11/16 and were signed on its behalf by:

  
B Lane - Chair of Governors

The notes form part of these financial statements

**GRAHAM JAMES PRIMARY ACADEMY**

**Cash Flow Statement  
For The Year Ended 31st August 2016**

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities:			
Cash generated from operations	1	110	158
Net cash provided by (used in) operating activities		110	158
Cash flows from investing activities:			
Purchase of tangible fixed assets		(36)	(121)
Capital grants from DfE/EFA		8	9
Net cash provided by (used in) investing activities		(28)	(112)
Change in cash and cash equivalents in the reporting period		82	46
Cash and cash equivalents at the beginning of the reporting period		212	166
Cash and cash equivalents at the end of the reporting period		294	212

The notes form part of these financial statements

GRAHAM JAMES PRIMARY ACADEMY

Notes to the Cash Flow Statement  
For The Year Ended 31st August 2016

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM  
OPERATING ACTIVITIES

	2016 £'000	2015 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(82)	(30)
Adjustments for:		
Depreciation	141	135
Capital grants from DfE/BFA	(8)	(9)
LPGS Pension Expense	41	26
LPGS net finance cost	13	13
(Increase)/decrease in debtors	(2)	21
Increase in creditors	7	2
Net cash provided by (used in) operating activities	<u>110</u>	<u>158</u>

## GRAHAM JAMES PRIMARY ACADEMY

### Notes to the Financial Statements For The Year Ended 31st August 2016

#### 1. STATUTORY INFORMATION

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

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

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Graham James Primary Academy meets the definition of a public benefit entity under FRS 102.

##### *First time adoption of FRS 102*

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

##### **Going concern**

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

## GRAHAM JAMES PRIMARY ACADEMY

### Notes to the Financial Statements - continued For The Year Ended 31st August 2016

#### 2. ACCOUNTING POLICIES - continued

##### Income

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

##### Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

##### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

##### Transfer of lease

On conversion to Academy status the Local Authority gifted the school buildings to the Academy Trust with a 125 year long term lease. The properties have been professionally valued as at the date of transfer. The valuation is underpinned by SORP 2005 and has adopted the Depreciated Replacement Cost (DRC) for specialist property and the land uses the market value. As the buildings are of a specialist nature then a Depreciated Replacement Cost method has been used to calculate the fair value of the buildings.

##### Interest receivable

Interest receivable is included within the Statement of Financial Activities on a receivable basis.

## GRAHAM JAMES PRIMARY ACADEMY

### Notes to the Financial Statements - continued For The Year Ended 31st August 2016

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#### 2. ACCOUNTING POLICIES - continued

##### Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### Charitable activities

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

##### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, governors' meetings and reimbursed expenses.

## GRAHAM JAMES PRIMARY ACADEMY

### Notes to the Financial Statements - continued For The Year Ended 31st August 2016

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#### 2. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

##### **Depreciation**

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

Freehold property	2% on cost
Fixtures and fittings	20% on cost
Computer equipment	20% on cost

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

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

##### **Liabilities**

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

##### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

##### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

## GRAHAM JAMES PRIMARY ACADEMY

### Notes to the Financial Statements - continued For The Year Ended 31st August 2016

#### 2. ACCOUNTING POLICIES - continued

##### Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

##### Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, 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 are recognised in the period to which they relate.

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



# GRAHAM JAMES PRIMARY ACADEMY

## Notes to the Financial Statements - continued For The Year Ended 31st August 2016

### 2. ACCOUNTING POLICIES - continued

#### Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

The academy 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.

#### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

#### LGPS

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

There are no critical areas of judgement.

#### Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

### 3. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Trip Income	24	1	25	22
Donations	-	-	-	1
Misc Income	-	21	21	13
Capital Income	-	-	-	62
	<u>24</u>	<u>22</u>	<u>46</u>	<u>98</u>

**GRAHAM JAMES PRIMARY ACADEMY**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
<b>DfE/EFA revenue grant</b>				
General Annual Grant(GAG)	-	1,058	1,058	967
Other DfE/EFA Grants	-	43	43	93
	-	1,101	1,101	1,060
<b>DfE/EFA capital grant</b>				
Devolved formula capital allocations	-	8	8	9
<b>Other government grant</b>				
Local authority grant	-	333	333	109
	-	1,442	1,442	1,178

**5. OTHER TRADING ACTIVITIES**

	Unrestricted funds £'000	Restricted funds £'000	2016 Total funds £'000	2015 Total funds £'000
Nursery Income	-	116	116	76
Catering income	-	21	21	16
	-	137	137	92

**6. EXPENDITURE**

	Staff costs £'000	Non-pay expenditure		2016 Total £'000	2015 Total £'000
		Premises £'000	Other costs £'000		
<b>Charitable activities</b>					
Academies educational operations					
Direct costs	1,028	141	50	1,219	975
Allocated support costs	250	91	147	488	423
	1,278	232	197	1,707	1,398

**GRAHAM JAMES PRIMARY ACADEMY**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**6. EXPENDITURE - continued**

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015
	£'000	£'000
Auditors' remuneration	6	6
Depreciation - owned assets	<u>141</u>	<u>135</u>

**7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted	Restricted	2016	2015
	funds	funds	Total	Total
	£'000	£'000	£'000	£'000
Direct costs	-	1,219	1,219	975
Support costs	<u>30</u>	<u>458</u>	<u>488</u>	<u>423</u>
	<u>30</u>	<u>1,677</u>	<u>1,707</u>	<u>1,398</u>

	2016	2015
	Total	Total
	£'000	£'000
Analysis of support costs		
Support staff costs	250	187
Premises costs	91	84
Other support costs	141	146
Governance costs	<u>6</u>	<u>6</u>
Total support costs	<u>488</u>	<u>423</u>

**GRAHAM JAMES PRIMARY ACADEMY**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

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**8. GOVERNORS' REMUNERATION AND BENEFITS**

**Governors' expenses**

There were no governors' expenses paid for the year ended 31st August 2016 (2015 travel and subsistence expenses totalling £15 were reimbursed or paid directly to 1 Governor).

# GRAHAM JAMES PRIMARY ACADEMY

## Notes to the Financial Statements - continued For The Year Ended 31st August 2016

### 9. STAFF COSTS

	2016	2015
	£'000	£'000
Wages and salaries	1,016	811
Social security costs	75	44
Other pension costs	172	107
	<u>1,263</u>	<u>962</u>
Supply teacher costs	15	14
	<u>1,278</u>	<u>976</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2016	2015
Teachers	15	15
Admin and Support	46	48
Management	4	4
	<u>65</u>	<u>67</u>

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

	2016	2015
£70,001 - £80,000	1	1

The average number of persons (including senior management team) employed by the charitable company during the year expressed as full time equivalents was as follows:

	2016	2015
Teachers	16	13
Admin & Support	29	27
Management	3	4
	<u>48</u>	<u>44</u>

### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £232,678 (2015: £157,393).

### 10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31st August 2016 was £281 (2015: £281).

**GRAHAM JAMES PRIMARY ACADEMY**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £'000	Restricted funds £'000	Fixed asset fund £'000	Total funds £'000
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	24	74	-	98
Charitable activities				
Funding for the academy's educational operations	-	1,178	-	1,178
Other trading activities	-	92	-	92
<b>Total</b>	<b>24</b>	<b>1,344</b>	<b>-</b>	<b>1,368</b>
<b>EXPENDITURE ON</b>				
Charitable activities				
Academy's educational operations	21	1,242	135	1,398
<b>NET INCOME/(EXPENDITURE)</b>	<b>3</b>	<b>102</b>	<b>(135)</b>	<b>(30)</b>
Transfers between funds	-	(80)	80	-
<b>Net movement in funds</b>	<b>3</b>	<b>22</b>	<b>(55)</b>	<b>(30)</b>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward	10	(234)	1,842	1,618
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>13</b>	<b>(212)</b>	<b>1,787</b>	<b>1,588</b>

**GRAHAM JAMES PRIMARY ACADEMY**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**12. TANGIBLE FIXED ASSETS**

	Freehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>COST</b>				
At 1st September 2015	1,446	527	24	1,997
Additions	-	9	27	36
At 31st August 2016	1,446	536	51	2,033
<b>DEPRECIATION</b>				
At 1st September 2015	64	143	3	210
Charge for year	29	106	6	141
At 31st August 2016	93	249	9	351
<b>NET BOOK VALUE</b>				
At 31st August 2016	1,353	287	42	1,682
At 31st August 2015	1,382	384	21	1,787

Included in Land & Buildings at original cost/valuation are:

- Freehold Land £22k
- Additions in the year include various ICT purchases and a log cabin all totalling £36k

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £'000	2015 £'000
VAT	8	10
Prepayments	11	7
	19	17

# GRAHAM JAMES PRIMARY ACADEMY

## Notes to the Financial Statements - continued For The Year Ended 31st August 2016

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £'000	2015 £'000
Trade creditors	2	1
Social security and other taxes	36	26
Accruals and deferred income	43	47
	<u>81</u>	<u>74</u>

### Deferred income

	2016 £'000	2015 £'000
Deferred income as at 1st September 2015	25	36
Resources deferred in year	30	25
Amounts released from previous years	(25)	(36)
Deferred income as at 31st August 2016	<u>30</u>	<u>25</u>

At the balance sheet date the academy trust was holding funds received in advance for Free School Meal and Devolved Capital.

### 15. 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 period 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.

### 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £'000	Restricted funds £'000	Fixed asset fund £'000	2016 Total funds £'000	2015 Total funds £'000
Fixed assets	-	-	1,682	1,682	1,787
Current assets	8	305	-	313	229
Current liabilities	(1)	(80)	-	(81)	(74)
Pension liability	-	(748)	-	(748)	(354)
	<u>7</u>	<u>(523)</u>	<u>1,682</u>	<u>1,166</u>	<u>1,588</u>



## GRAHAM JAMES PRIMARY ACADEMY

### Notes to the Financial Statements - continued For The Year Ended 31st August 2016

#### 18. PENSION COMMITMENTS - continued

##### Teachers' pension scheme

###### *Introduction*

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

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

###### *Valuation of the Teachers' Pension Scheme*

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (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 £94k (2015: £66k).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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.

# GRAHAM JAMES PRIMARY ACADEMY

## Notes to the Financial Statements - continued For The Year Ended 31st August 2016

### 18. PENSION COMMITMENTS - continued

#### Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £69k (2015: £55k), of which employer's contributions totalled £51k (2015: £41k) and employees' contributions totalled £18k (2015: £14k).

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

Principal actuarial assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	4.1%	4.5%
Rate of increase for pensions in payment/inflation	2.7%	2.7%
Discount rate for scheme liabilities	2.2%	4.0%
Inflation assumption (CPI)	2.3%	2.7%
Commutation of pensions to lump sums	3.2%	3.6%

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

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

	Fair value at 31 August 2016 £'000	Fair value at 31 August 2015 £'000
Equity instruments	201	122
Gifts	10	8
Other Bonds	13	18
Property	32	22
Cash	9	5
Alternative assets	13	14
Other managed funds	14	-
Total fair value of assets	292	189
Present value of scheme liabilities	(1,040)	(543)
Net pension liability	748	(354)

The actual return on scheme assets was £34k (2015: £8k).

**GRAHAM JAMES PRIMARY ACADEMY**

**Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016**

**18. PENSION COMMITMENTS**  
- continued

Local government pension scheme

Amount recognised in the statement of financial activities

	2016	2015
	£'000	£'000
Current service cost (net of employee contributions)	92	69
Net interest cost	13	13
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	-	-
<b>Total operating charge</b>	<b>105</b>	<b>82</b>

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

	2016	2015
	£'000	£'000
At 1 September	543	441
Current service cost	92	69
Interest cost	22	19
Change in financial assumptions	365	-
Employee contributions	18	14
Actuarial (gain)/loss	-	-
Benefits paid	-	-
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>At 31 August</b>	<b>1,040</b>	<b>543</b>

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

	2016	2015
	£'000	£'000
At 1 September	189	126
Interest income	9	6
Return on plan assets (excluding net interest on the net defined pension liability)	-	2
Actuarial gain/(loss)	-	-
Employer contributions	51	41
Employee contributions	18	14
Benefits paid	-	-
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>At 31 August</b>	<b>292</b>	<b>189</b>

## **GRAHAM JAMES PRIMARY ACADEMY**

### **Notes to the Financial Statements - continued For The Year Ended 31st August 2016**

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#### **19. CONTINGENT LIABILITIES**

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

As no such events have occurred during the year nor are likely to occur in the foreseeable future, the accounts do not contain any provision against contingent liabilities.

#### **20. RELATED PARTY DISCLOSURES**

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

There are no related party transactions requiring disclosure within these accounts.

##### **Connected Parties**

The daughter of the Headteacher, Miss L Back, continued to be employed by the school as an employee of the Nursery and is paid in accordance with salary scale point 7 of the Thurrock pay scale.

The wife of the Chair of Governors Mrs K Lane, continued to be employed by the school as a Nursery Teacher and is paid in accordance with salary scale point 6 of the national pay scale.

#### **21. FIRST YEAR ADOPTION**

This is the first year in respect of which the Academy has prepared its financial statements under FRS 102. The previous financial statements for the year ended 31 August 2016 were prepared under "old UK GAAP". The date of transition to FRS 102 is 1 September 2014.

GRAHAM JAMES PRIMARY ACADEMY

Notes to the Financial Statements - continued  
For The Year Ended 31st August 2016

21. FIRST YEAR ADOPTION - continued

Transitional relief

On transition to FRS 102, the charity has taken advantage of the following transitional relief:

- not to apply the requirements of Section 19 Business Combinations and Goodwill;
- not to apply the requirements of Section 26 Share-based Payment;
- to measure fair value at date of transition to FRS 102 and use as deemed cost on:
  - an item of property, plant and equipment;
  - an investment property;
  - an intangible asset which meets the recognition criteria and criteria for revaluation in Section 18 Intangible Assets other than Goodwill;
- to use a previous GAAP revaluation as deemed cost on:
  - an item of property, plant and equipment;
  - an investment property;
  - an intangible asset which meets the recognition criteria and criteria for revaluation in Section 18 Intangible Assets other than Goodwill;
- to measure investment in subsidiaries, associates and joint ventures at cost determined in accordance with Section 9 Consolidated and Separate Financial Statements, Section 14 Investments in Associates or Section 15 Investments in Joint Ventures;
- not to apply the requirement of paragraph 22.13 in respect of compound financial instruments;
- not to apply the requirement of paragraphs 34.12E to 34.16A in respect of service concession agreements;
- to take elections available for extractive activities;
- to measure decommissioning liabilities included in cost of property, plant and equipment at date of transition to FRS 102;
- to measure carrying amount of deferred development costs at date of transition to FRS 102 as deemed cost;
- to treat date of transition to FRS 102 as date on which capitalisation of borrowing costs commences.

LGPS - Interest on scheme assets

Under previous UK GAAP, the academy recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the debit to expense by £13,000 and decrease the credit in other recognised gains and losses in the SoFA by an equivalent amount.