Tweendykes School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016

Forrester Boyd Robson Limited
Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
East Yorkshire
HU17 0RT

Forrester Boyd Robson
Chartered Accountants

200 group

Praxity
ASSOCIATE
GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Tweendykes School

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Reference and Administrative Details

Governors and Trustees (Directors)	J R Barnes, (Chair) (i) P Baggaley G Barley, (i) E Clark G Gibbons, (i) L Kemp, (i) M Pinchbeck, (i) K Oliver B Moorcroft, (i) K Goncalves (resigned 2 December 2015) D Ellis (resigned 30 November 2015) M Bateman

(i) member of the Audit, Business and Finance Committee

Company Secretary	J M Brown
Senior Management Team	B Moorcroft, Headteacher D Percival, Assistant Headteacher P Fenner, Assistant Headteacher R Dalton, Assistant Headteacher J Clark, School Business Manager
Principal and Registered Office	Tweendykes School Midmere Learning Village Midmere Avenue Hull HU7 4PW
Company Registration Number	08432506
Auditors	Forrester Boyd Robson Limited Kingfisher Court Plaxton Bridge Road Woodmansey Beverley East Yorkshire HU17 0RT
Bankers	Barclays Bank PLC 18 Cottingham Road Hull East Yorkshire HU6 7RB
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG

Trustees' Report for the Year Ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 08432506.

The governors act as the trustees for the charitable activities of Tweendykes School and are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

Trustees' indemnities

The Academy through its Articles has indemnified its Governors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Governors. The insurance provides cover up to £2,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

The company's Memorandum and Articles of Association are the primary governing documents of the Academy. The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The members may appoint up to 16 Governors and must have a minimum of 2 Parent Governors.

The members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Headteacher) who are employees of the Academy does not exceed one third of the total number of Governors.

The Headteacher shall be treated for all purposes as being an ex officio Governor.

The parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of pupils at the Academy at the time when he/she is elected.

The Secretary of State may also appoint additional Governors if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy. The Secretary of State has not appointed any additional Governors.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Trustees will be given a tour of the Academy and the chance to meet with staff and students. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees.

As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Trustees' Report for the Year Ended 31 August 2016 (continued)

Organisational structure

The Academy structure now consists of two levels: the Trustees and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, and senior staff appointments.

The Senior Leadership Team members are the Headteacher, Assistant Headteachers, and School Business Manager. These managers lead the Academy at an executive level implementing the policies laid down by the Trustees and reporting back to them. As a group, the Senior Leadership Team are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The Headteacher, Assistant Headteacher, School Business Manager or Administration Senior Staff sign all purchase orders within the Academy.

Arrangements for setting pay and remuneration of key management personnel

Senior leaders pay are determined in line with the current school teacher pay and conditions regulations. The schools pay policy outlines how pay ranges are set and pay awards made. Appraisal arrangements are robust and rigorous. Trustees are unpaid in their role.

Connected organisations, including related party relationships

Tweendykes School is an individual convertor Academy which is a member of the ICA Group.
Governors are drawn from the local community and from time to time it is possible that the Academy will enter into transactions with organisations in which a Trustee or Governor has an interest. All such transactions are reflected in the Trusts' Register of Business Interests.
These are duly considered by the Governing Body on a regular basis to ensure all such transactions are in line with the Academies Handbook requirements.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company is the operation of Tweendykes School to provide specialist education for pupils with severe and profound learning difficulties between the ages of 3 and 19. In accordance with the Articles of Association the Charitable Company has adopted a scheme of Governance approved by the Secretary of State for Education and Skills. The Scheme of Governance specifies, amongst other things, the basis of admitting students to the Academy.

The main objectives of the Academy during the year ended 31st August 2016 are summarised below:

- To provide a stimulating, enriching, challenging, varied and rewarding learning environment within a happy and purposeful atmosphere.
- To provide a broad, balanced and relevant curriculum appropriate to the needs of each pupil and taught and assessed through individual learning programmes.
- To implement the National Curriculum, as appropriate, to the needs of each pupil.
- To develop each pupils individual potential.
- To provide a system of care that encourages and maintains appropriate standards of behaviour so that each pupil can develop the social skills necessary for life after school in their local community.
- To develop the self esteem, self awareness and confidence of each pupil.
- To provide an environment where the needs of each pupil are met by a team of adults working together in a positive and mutually supportive way.
- To provide pupils, where appropriate, with curricular and social opportunities for contact with their mainstream peers.
- To provide an environment that reflects equality of opportunity and values each individual's contribution to the school community regardless of ability, race or sex.
- To develop a partnership between School, Parents and Carers.
- To provide value for money for the funds expended,
- To comply with statutory requirements;
- To conduct the Academy's business in accordance with the highest standards of integrity and probity.

Trustees' Report for the Year Ended 31 August 2016 (continued)

The Academy's main strategy is encompassed in its mission statement:

'Our School is committed to providing a happy, safe, stimulating and caring environment where individual needs are met through excellent teaching and learning, high expectations, teamwork, links with families and the wider community, all our pupils will achieve their full potential.'

Objectives, strategies and activities

The main objectives of the Academy during the period ended 31 August 2016 are summarised below:

Key Priorities:

1. Development of pupil voice, and parental engagement
2. Continued development of communication provision including use of communication aids
3. Further develop staffs knowledge of sensory issues
4. Continued development of Maths teaching – with a focus on number
5. Development of teaching computing
6. Further develop the thematic curriculum
7. To work towards arts mark award
8. To further develop outreach
9. To extend governors knowledge and challenge

Public benefit

The Academy provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

The primary purpose of Tweendykes school is the advancement of education for pupils with severe learning difficulties within Hull. To this end, it now runs as an Academy aspiring towards the highest possible standards for approximately 140 students aged 3-19. The Academy continues to be full.

Inextricably linked with this purpose is the aim of contributing to the public good. Through the provision of educational activities and extracurricular activities, the Academy aims to contribute considerable benefit to the local disabled community.

The Academy involves the community in the following activities:
- Courses including Early Birds Plus
- Family learning opportunities.
- A range of After School Clubs.

The Trustees have considered the impact of the public benefit requirement including the guidance issued by the Charity Commission.

Trustees' Report for the Year Ended 31 August 2016 (continued)

Strategic Report

Achievements and performance

The Academy has recently had an Ofsted inspection with the overall rating of the School being judged to be Outstanding. This is the third consecutive Outstanding judgment and demonstrates the schools consistently high performance in all areas of its work.

Key performance indicators

The Academy predominantly uses B2 assessment to monitor pupil progress and attainment. This is supplemented with other assessment materials and accredited pathways including OCR and ASDAN.
The value added data shows that pupils at Tweendykes make better than average progress when compared to similar cohorts at other special schools.

At all key stages pupil progress has been good or outstanding.

Overall pupil progress is outstanding. Tweendykes School uses a combined assessment approach which is highly personalised and developmental as student's progress through the school. The main stay of this for the majority of pupils is B Squared, from which yearly targets are set and monitored continuously. Class teams and pupils have ownership of the data and scrutinise progress against clear measurable outcomes, set in collaborative meetings, led by the Assessment coordinator.

On entry to Tweendykes School pupils are significantly below national expectations for similar performing cohorts . Progress accelerates rapidly, captured through the Tweendykes Assessment model which is moderated through collaborative work with other schools in the city and via comparison to National Progression Guidance through B Squared. It is a highly personalised, family-centred approach to pupils' learning journeys, based on their IEP and EHC Plan.

Whole school progress data for 2015-16

Progress in English and Maths is outstanding

87% of pupils achieved outstanding progress in Reading
77% of pupils achieved outstanding progress in Writing
80% of pupils achieved outstanding progress in Spoken Language
57% of pupils achieved outstanding progress in Maths

Pupil Premium

89% pupils achieved outstanding progress in Reading
71% pupils achieved outstanding progress in Writing
78% pupils achieved outstanding progress in Spoken Language
51% pupils achieved outstanding progress in Maths

Our Pupil Premium funding is targeted effectively to ensure progress is in line with whole School data.

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.

The Academy Trust is currently showing net liabilities on its Balance Sheet of £940,566. However, if the pension deficit of £1,869,000, which is underwritten by the Exchequer, is excluded the Trust would be brought into a net asset position. Working capital remains strong and future income will be secured based on an annual grant from the DfE. Therefore, the Trust's Financial Statements have been prepared on a going concern basis.

Strategic Report

Financial review

The Academy's income is obtained from recurrent income from the EFA and top up funding from Hull City Council and East Riding Council. The grants received from the EFA and HCC/ERC top up funding during the year ended 31st August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. 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 asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2016, total expenditure of £3,254,960 was not covered by the recurrent grant funding from the EFA together with other incoming resources of £3,188,873. The excess of expendture over income for the year was £66,087. If depreciation and FRS 102 pension adjustments were excluded the deficit would be £8,937.

As at 31st August 2016 the net book value of fixed assets was £99,977 and movements in tangible fixed assets are shown in the Financial Statements. The assets were used exclusively for providing education and associated support services to the pupils of the Academy.

The net pension liability as at 31st August 2016 is £1,869,000.

Reserves policy

Closing reserves of (£940,566) (2015: (£507,702)) is principally the Pension Reserves deficit of £1,869,000 (2015: £1,502,000). Steps are being taken to eliminate the pension scheme deficit as contributions have increased since converting to an academy. It is possible that the deficit can have an effect on the cashflow of the academy, as it may mean the contributions will have to change again in the future.
The GAG carry forward makes up £609,053 (2015: £752,432) of the reserves and is held to pay for ongoing day to day items, in line with established procedure and acceptable carry forward limits.
The unrestricted carry forward of £219,404 (2015: £177,456) is currently earmarked for capital projects in the following year.
The fixed assets reserve has a carry forward of £99,977 (2015: £64,410).

A breakdown of the funds as at 31 August 2016 is as follows:-

	£
Unrestricted general fund	219,404
Restricted general fund	609,053
Restricted fixed asset fund	99,977
Restricted pension fund	(1,869,000)
Total funds	(940,566)

Investment policy

The Academy holds two bank accounts, one current account and one high interest deposit account.

Principal risks and uncertainties

The principal risk and uncertainties are centered around changes in the level of funding from the DfE/EFA. In addition, the Academy is a member of the Local Government Pension (LGPS), which may result in significant movements each year.

Strategic Report

Financial and risk management objectives and policies

The academy is subject to a number of risks and uncertainties in common with other academies. The Academy has in place procedures which identify and mitigate financial risks.

The Governors have assessed the risks to which the Academy could be exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. Systems within the school have been implemented to minimise risk. Examples of areas covered are: Teaching; Health and Safety; School Trips; Vetting of Staff and Visitors, and Financial Control (this list is not exclusive). Where significant financial risk still remains the Academy has ensured they have adequate insurance cover.

The Appointed Responsible Officer meets with staff at the school termly. The role ensures that financial responsibilities of the Governing Body are being properly discharged, resources are managed in an efficient, economical and effective manner, sound systems of internal control are being maintained and financial considerations are fully taken into account in reaching decisions. A report is produced after each meeting and presented to the Governing Body.

Plans for future periods

The Academy plans for 2016-2017 are set out within the School Improvement Plan. Primarily they are to continue to develop Pupil Voice, Communication provision, NAS Re-accreditation, basic skills, sensory support and thematic learning.
The Academy is also working in partnership with other special schools on 16-25 Education Provision and an Outreach Service for children with severe learning difficulties across the city.

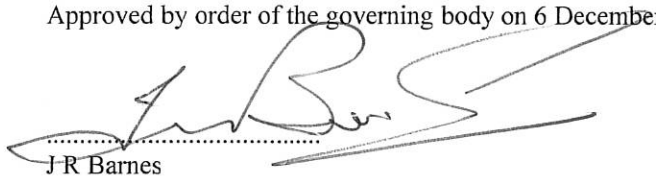
Trustees' Report for the Year Ended 31 August 2016 (continued)

Auditor

In so far as the Trustees are aware:

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

Approved by order of the governing body on 6 December 2016 and signed on its behalf by:



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J R Barnes
Governor and trustee

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Tweendykes School 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 B Moocroft, 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 Tweendykes School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
P Baggaley	3	3
L Kemp	3	3
K Oliver	3	3
G Barley	3	3
J R Barnes	3	3
E Clark	3	3
G Gibbons	3	3
M Pinchbeck	3	3
B Moorcroft	3	3
M Bateman	3	3

The Audit, Business and Finance Committee is a sub-committee of the main Governing Body. Its purpose is to closely monitor the financial performance of the Academy. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
L Kemp	3	3
G Barley	3	3
J R Barnes	3	3
G Gibbons	3	3
M Pinchbeck	2	3
B Moorcroft	3	3

Governance Statement (continued)

Review of value for money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by reviewing cost of supply support staff, reviewing spend across classes for learning resources, exploring business model for school to school support.

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 Tweendykes School 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:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and General Purposes 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 Trustees have appointed J M Brown, Company Secretary, to perform internal review

The internal reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of fixed asset controls
- testing of high level controls
- testing of banking controls
- testing of income controls

On a regular basis, the reviewer reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

There were no material control or other issues reported by the reviewer to date.

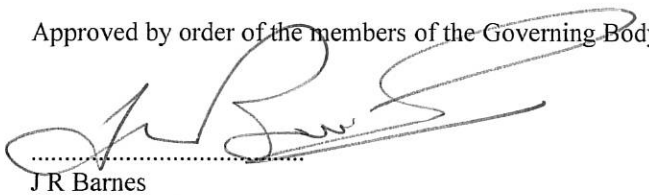
Governance Statement (continued)

Review of effectiveness

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

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

Approved by order of the members of the Governing Body on 6 December 2016 and signed on its behalf by:



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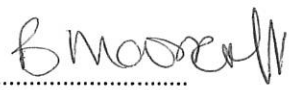
J R Barnes
Governor and trustee



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B Moorcroft
Accounting officer
Governor and trustee

Statement on Regularity, Propriety and Compliance

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

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

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

B Moocroft

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B Moocroft
Accounting officer

6/12/2016

Statement of Trustees' Responsibilities

The Trustees (who are the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Board on 6 December 2016 and signed on its behalf by:

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J R Barnes
Governor and trustee

Independent Auditor's Report on the Financial Statements to the Members of Tweendykes School

We have audited the financial statements of Tweendykes School for the year ended 31 August 2016, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 to 2016 issued by the EFA.

This report is made solely to the charitable company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees 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 Trustees' Responsibilities (set out on page 13), the trustees (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 (APB'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 trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on,or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Independent Auditor's Report on the Financial Statements to the Members of Tweendykes School (continued)

Michael Beckett BA FCA

Michael Beckett BA FCA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd Robson Limited, Statutory Auditor

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
East Yorkshire
HU17 0RT

Date: 6/12/2016

Independent Reporting Accountant's Report on Regularity to Tweendykes School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 6 September 2016 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 Tweendykes School during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body 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 the Governing Body and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 29 April 2013 and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Ensuring that all the activities of the academy trust are in keeping with the academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management Personnel

Conclusion

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

Independent Reporting Accountant's Report on Regularity to Tweendykes School and the Education Funding Agency (continued)

Michael Beckett BA FCA

Michael Beckett BA FCA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd Robson Limited, Chartered Accountants

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
East Yorkshire
HU17 0RT

Date: 6/12/2016

Statement of Financial Activities for the Year Ended 31 August 2016 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
Income and endowments from:					
Donations and capital grants	2	4,703	-	8,489	13,192
Charitable activities:					
Funding for the Academy trust's educational operations	3	-	3,060,878	-	3,060,878
Other trading activities	4	51,024	-	-	51,024
Investments	5	2,509	-	-	2,509
Total		58,236	3,060,878	8,489	3,127,603
Expenditure on:					
Charitable activities:					
Academy trust educational operations	7	16,288	3,122,251	55,151	3,193,690
Net income/(expenditure)		41,948	(61,373)	(46,662)	(66,087)
Transfers between funds		-	(84,006)	84,006	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	(365,000)	-	(365,000)
Profit/(loss) on disposal of fixed assets		-	-	(1,777)	(1,777)
Net movement in funds/(deficit)		41,948	(510,379)	35,567	(432,864)
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2015		177,456	(749,568)	64,410	(507,702)
Total funds/(deficit) carried forward at 31 August 2016		219,404	(1,259,947)	99,977	(940,566)

Statement of Financial Activities for the Year Ended 31 August 2015 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
Income and endowments from:					
Donations and capital grants	2	10,170	-	13,050	23,220
Charitable activities:					
Funding for the Academy trust's educational operations	3	-	3,071,152	-	3,071,152
Other trading activities	4	46,325	-	-	46,325
Investments	5	938	-	-	938
Total		57,433	3,071,152	13,050	3,141,635
Expenditure on:					
Charitable activities:					
Academy trust educational operations	7	46,288	2,859,192	40,813	2,946,293
Net income/(expenditure)		11,145	211,960	(27,763)	195,342
Transfers between funds		-	(4,202)	4,202	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	23	-	6,000	-	6,000
Net movement in funds/(deficit)		11,145	213,758	(23,561)	201,342
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2014		166,311	(963,326)	87,971	(709,044)
Total funds/(deficit) carried forward at 31 August 2015		177,456	(749,568)	64,410	(507,702)

(Registration number: 08432506)
Balance Sheet as at 31 August 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	99,977	64,410
Current assets			
Stocks	12	4,906	-
Debtors	13	40,690	52,639
Cash at bank and in hand		850,642	981,707
		896,238	1,034,346
Creditors: Amounts falling due within one year	14	(67,781)	(104,458)
Net current assets		828,457	929,888
Total assets less current liabilities		928,434	994,298
Net assets excluding pension liability		928,434	994,298
Pension scheme liability	23	(1,869,000)	(1,502,000)
Net liabilities including pension liability		(940,566)	(507,702)
Funds of the Academy:			
Restricted funds			
Restricted general fund		609,053	752,432
Restricted fixed asset fund		99,977	64,410
Restricted pension fund		(1,869,000)	(1,502,000)
		(1,159,970)	(685,158)
Unrestricted funds			
Unrestricted general fund		219,404	177,456
Total funds		(940,566)	(507,702)

The financial statements on pages 18 to 37 were approved by the Trustees, and authorised for issue on 6 December 2016 and signed on their behalf by:

.....
J R Barnes
Governor and trustee

Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £	2015 £
Net cash (outflow)/inflow from operating activities	18	(49,569)	181,385
Returns on investments and servicing of finance		2,509	938
Capital expenditure and financial investment	19	(84,005)	(4,202)
(Decrease)/increase in cash in the year	20	(131,065)	178,121

Notes to the Financial Statements for the Year Ended 31 August 2016

1 Accounting policies

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

Basis of preparation
The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the United Kingdom (FRS 102), the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Annual Accounts Direction 2015 to 2016 issued by the Education Funding Agency and the Companies Act 2006.

Tweendykes School meets the definition of a public benefit entity under FRS 102. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern
The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Academy Trust is currently showing net liabilities on its Balance Sheet of £940,566. However, if the pension deficit of £1,869,000, which is underwritten by the Exchequer, is excluded the Trust would be brought into a net asset position. Working capital remains strong and future income will be secured based on an annual grant from the DfE. Therefore, the Trust's Financial Statements have been prepared on a going concern basis.

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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.

1 Accounting policies (continued)

Other income

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

Donated goods, facilities and services

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

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

Expenditure

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

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.

1 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.

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 lives, per the table below.

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.

Asset class	Depreciation method and rate
Computer Equipment	2 and 3 year straight line basis
Motor Vehicles	3 year straight line basis
Furniture and Equipment	3 year straight line basis

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.

Leased assets

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

Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

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.

1 Accounting policies (continued)

Pension 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 the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 31/08/2016. 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.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Educational trips and visits	2,801	-	2,801	8,616
Capital grants	-	8,489	8,489	13,050
Other donations	1,902	-	1,902	1,554
	4,703	8,489	13,192	23,220

3 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2016 £	Total 2015 £
DfE/EFA revenue grants			
General Annual Grant	1,358,180	1,358,180	1,356,160
Other government grants			
Pupil Premium	61,821	61,821	67,310
Local Authority Funding	1,619,099	1,619,099	1,617,918
Bursary Income	-	-	8,943
Other Grants	21,778	21,778	20,821
	1,702,698	1,702,698	1,714,992
Total grants	3,060,878	3,060,878	3,071,152

4 Other trading activities

	Unrestricted funds £	Total 2016 £	Total 2015 £
Recharges and reimbursements	31,251	31,251	34,395
Other income	19,473	19,473	11,730
Courses delivered	300	300	200
	51,024	51,024	46,325

5 Investment income

	Unrestricted funds £	Total 2016 £	Total 2015 £
Interest Received	2,509	2,509	938

6 Expenditure

	Non Pay Expenditure				
	Staff costs £	Premises £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
Direct costs	2,362,166	-	305,311	2,667,477	2,371,407
Allocated support costs	112,266	187,041	226,906	526,213	574,886
	2,474,432	187,041	532,217	3,193,690	2,946,293

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Operating leases - other leases	6,914	-
Fees payable to auditor - audit	4,840	4,840
- other audit services	1,640	1,780
Profit/(loss) on disposal of tangible fixed assets	1,777	-
Depreciation	55,150	40,813

7 Charitable activities

	Total 2016 £	Total 2015 £
Direct costs - educational operations	2,667,477	2,371,407
Support costs - educational operations	526,213	574,886
	3,193,690	2,946,293

	Educational operations £	Total 2016 £	Total 2015 £
Analysis of support costs			
Support staff costs	112,266	112,266	121,750
Depreciation	55,151	55,151	40,813
Technology costs	11,067	11,067	7,066
Premises costs	131,890	131,890	176,871
Other support costs	215,839	215,839	228,386
Total support costs	526,213	526,213	574,886

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8 Staff

Staff costs

	2016 £	2015 £
Staff costs during the year were:		
Wages and salaries	1,999,236	1,812,913
Social security costs	129,806	107,275
Pension costs	345,390	297,822
	2,474,432	2,218,010

Staff numbers

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

	2016 No	2015 No
Charitable Activities		
Teachers	14	13
Administration and support	90	90
Management	5	5
	109	108

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2016 No	2015 No
£80,001 - £90,000	1	1

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 £329,213 (2015: £312,718).

9 Related party transactions - trustees' remuneration and expenses

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

B Moorcroft (Principal):

Remuneration: £80,000 - £85,000 (2015 - £80,000 - £85,000)
Employer's pension contributions: £10,000 - £15,000 (2015 - £10,000 - £15,000)

L Kemp (Teaching Assistant):

Remuneration: £30,000 - £35,000 (2015 - £25,000 - £30,000)
Employer's pension contributions: £5,000 - £10,000 (2015 - £5,000 - £10,000)

P Baggaley (SEN Personal Advisor):

Remuneration: £15,000 - £20,000 (2015 - £20,000 - £25,000)
Employer's pension contributions: £5,000 - £10,000 (2015 - £5,000 - £10,000)

K Oliver (Teacher):

Remuneration: £45,000 - £50,000 (2015 - £40,000 - £45,000)
Employer's pension contributions: £5,000 - £10,000 (2015 - £5,000 - £10,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £Nil (2015 - £Nil) were reimbursed or paid directly to 0 trustees (2015 - 0).

Other related party transactions involving the trustees are set out in note 24.

10 Trustees' 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £783 (2015 - £783).

The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Cost				
At 1 September 2015	95,312	21,000	10,713	127,025
Additions	26,980	59,410	6,104	92,494
Disposals	-	(8,000)	-	(8,000)
At 31 August 2016	122,292	72,410	16,817	211,519
Depreciation				
At 1 September 2015	37,659	16,333	8,623	62,615
Charge for the year	34,594	17,743	2,813	55,150
Eliminated on disposals	-	(6,223)	-	(6,223)
At 31 August 2016	72,253	27,853	11,436	111,542

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

11 Tangible fixed assets (continued)

	Furniture and equipment £	Motor vehicles £	Computer equipment £	Total £
Net book value				
At 31 August 2016	50,039	44,557	5,381	99,977
At 31 August 2015	57,653	4,667	2,090	64,410

12 Stock

	2016 £
Clothing	4,906

13 Debtors

	2016 £	2015 £
Prepayments	11,184	21,927
Accrued grant and other income	10,808	10,587
VAT recoverable	18,698	20,125
	40,690	52,639

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	21,628	47,864
Accruals	44,241	52,637
Deferred income	1,912	3,957
	67,781	104,458

	2016 £
Deferred income	
Deferred income at 1 September 2015	3,957
Resources deferred in the period	1,912
Amounts released from previous periods	(3,957)
Deferred income at 31 August 2016	1,912

Deferred income relates to Universal Infant FSM relating to the period September 2016 to March 2017.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

15 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	752,432	1,373,580	(1,432,953)	(84,006)	609,053
Pupil Premium	-	61,821	(61,821)	-	-
Local Authority Funding	-	1,619,099	(1,619,099)	-	-
Other Grants	-	6,378	(6,378)	-	-
	752,432	3,060,878	(3,120,251)	(84,006)	609,053
Restricted fixed asset funds					
Assets transferred from Local Authority	64,410	-	(55,151)	90,718	99,977
DfE Capital Grant	-	8,489	-	(8,489)	-
	64,410	8,489	(55,151)	82,229	99,977
Restricted pension funds					
Pension Reserve	(1,502,000)	-	(2,000)	(365,000)	(1,869,000)
Total restricted funds	(685,158)	3,069,367	(3,177,402)	(366,777)	(1,159,970)
Unrestricted funds					
Unrestricted general funds	177,456	58,236	(16,288)	-	219,404
Total funds	(507,702)	3,127,603	(3,193,690)	(366,777)	(940,566)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Local authority funding includes SEN funding which is provided for the provision of services for children with special educational needs.

Pupil Premium Grant, which may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year.

The donated assets income is the value of the assets transferred from the local authority on conversion.

16 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	99,977	99,977
Current assets	219,404	676,834	-	896,238
Current liabilities	-	(67,781)	-	(67,781)
Pension scheme liability	-	(1,869,000)	-	(1,869,000)
Total net assets	219,404	(1,259,947)	99,977	(940,566)

17 Commitments under operating leases

Operating leases

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

	2016 £
Within one year	6,914
In two and five years	1,729
	8,643

18 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2016 £	2015 £
Net (expenditure)/income	(66,087)	195,342
Depreciation	55,150	40,813
Donated capital and capital grants	(8,489)	(13,050)
Interest receivable	(2,509)	(938)
FRS 102 net interest on defined benefit pension scheme	56,000	54,000
FRS 102 cost less contributions payable on defined benefit pension scheme	(54,000)	(41,000)
Increase in stocks	(4,906)	-
Decrease in debtors	11,949	1,917
Decrease in creditors	(36,677)	(55,699)
Net cash (outflow)/inflow from operating activities	(49,569)	181,385

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

19 Cash flows from investing activities

	2016	2015
	£	£
Purchase of tangible fixed assets	(92,494)	(17,252)
Capital grants from DfE	8,489	13,050
Net cash outflow from capital expenditure and financial investment	(84,005)	(4,202)

20 Analysis of cash and cash equivalents

	At 31 August 2016	At 31 August 2015
	£	£
Cash at bank and in hand	850,642	981,707
Total cash and cash equivalents	850,642	981,707

21 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 Education and Skills the same proportion of the proceeds of the sale or disposal as equates with the proportion of the orginal 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 the reference to:

a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy, and

b) the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State under the funding agreement.

22 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.

23 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by East Riding Pension Fund. Both are multi-employer defined benefit schemes.

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

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

23 Pension and similar obligations (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 pension costs paid to TPS in the period amounted to £104,241 (2015- £78,209).
A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £348,000 (2015 - £310,000), of which employer's contributions totalled £293,000 (2015 - £259,000) and employees' contributions totalled £55,000 (2015 - £51,000). The agreed contribution rates for future years are 33.4 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

23 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2013 %	At 31 August 2015 %
Rate of increase in salaries	2.30	4.10
Rate of increase for pensions in payment/inflation	2.10	2.70
Discount rate for scheme liabilities	2.10	3.80

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.5%	0.0%	- 0.5%
Adjustment to discount rate	£	£	£
Present value of total obligation	-	-	516,000
	+ 0.5%	0.0%	- 0.5%
Adjustment to rate of salary growth	£	£	£
Present value of total obligation	181,000	-	-
	+ 1 Year	None	- 1 Year
Adjustment to mortality age rating assumption	£	£	£
Present value of total obligation	114,000	-	-

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

	At 31 August 2013	At 31 August 2015
Retiring today		
Males retiring today	21.90	21.90
Females retiring today	24.10	24.10
Retiring in 20 years		
Males retiring in 20 years	24.20	24.20
Females retiring in 20 years	26.70	26.70

23 Pension and similar obligations (continued)

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

	At 31 August 2016 £	At 31 August 2015 £
Equities	1,451,000	986,000
Other bonds	213,000	132,000
Property	213,000	145,000
Cash	57,000	53,000
Total market value of assets	1,934,000	1,316,000
Present value of scheme liabilities - funded	(3,803,000)	(2,818,000)
Deficit in the scheme	(1,869,000)	(1,502,000)

The actual return on scheme assets was £270,000 (2015 - £7,000).

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employer contributions)	(54,000)	(41,000)
Net interest cost	56,000	54,000
Total operating charge	2,000	13,000

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

	2016 £	2015 £
At 1 September	2,818,000	2,494,000
Current service cost	239,000	218,000
Interest cost	113,000	97,000
Employee contributions	55,000	51,000
Actuarial losses/(gains)	578,000	(42,000)
At 31 August	3,803,000	2,818,000

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

	2016 £	2015 £
At 1 September	1,316,000	999,000
Interest income	57,000	43,000
Actuarial gains/(losses)	213,000	(36,000)
Employer contributions	293,000	259,000
Employee contributions	55,000	51,000
At 31 August	1,934,000	1,316,000

24 Related party transactions

Owing to the nature of the Academy Trust 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 the Academy Trust has 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 were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.

25 Transition to FRS 102

First time adoption of FRS 102

These financial statements are the first financial statements of Tweendykes School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Tweendykes School for the year ended 31/08/2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

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

Explanation of transition to FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31/08/2015 and the date of transition to FRS 102 and SORP 2015 was therefore 01/09/2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliation of net income/(expenditure)

	Note	Amount £
Net income/(expenditure) previously reported under UK GAAP		218,342
Change in recognition of LGPS interest cost		(23,000)
Net movement in funds reported under FRS 102		195,342

Change in recognition of LGPS interest cost

Under previous UK GAAP the Trust recognised an expected return on defined benefit plan assets in expenses. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenses. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £23,000 and decrease the debit in other recognised gains and losses in the SOFA by an equivalent amount.