

Company Registration Number: 08803858 (England and Wales)

**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

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

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**CONTENTS**

	Page
<b>Reference and Administrative Details</b>	1 - 2
<b>Trustees' Report</b>	3 - 9
<b>Governance Statement</b>	10 - 15
<b>Statement on Regularity, Propriety and Compliance</b>	16
<b>Statement of Trustees' Responsibilities</b>	17
<b>Independent Auditors' Report on the Financial Statements</b>	18 - 20
<b>Independent Reporting Accountant's Assurance Report on Regularity</b>	21 - 22
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	23
<b>Balance Sheet</b>	24
<b>Statement of Cash Flows</b>	25
<b>Notes to the Financial Statements</b>	26 - 43

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, MEMBERS, TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**Members**

J Bruce  
K Maughan  
Rev K E Stone

**Trustees**

Rev K E Stone, Chair & Community Trustee<sup>1</sup>  
P Bowler, Community Trustee (appointed 7 December 2016)<sup>1</sup>  
T Brown, Parent Trustee (appointed 7 December 2016)<sup>1</sup>  
P Cowley, Umbrella Trust Trustee  
G Dorman-Smith, Chair of SIC & Community Trustee  
H C Malbon, Headteacher & Accounting Officer<sup>1</sup>  
K Maughan, Parent Trustee (resigned 30 November 2016)<sup>1</sup>  
J Measor, Chair of F&R<sup>1</sup>  
R L Moffat, Community Trustee  
A Rice, Parent Trustee (resigned 21 October 2016)  
L C Robson, Staff Trustee<sup>1</sup>  
L E Sinclair, Community Trustee<sup>1</sup>  
J Thirkell, Parent Trustee (appointed 7 December 2016)<sup>1</sup>  
H Turley, Staff Trustee

<sup>1</sup> Members of the Finance and Resources Committee

**Company registered number**

08803858

**Company name**

Viewley Hill Academy

**Principal and registered office**

Andover Way  
Hemlington  
Middlesborough  
TS8 9HL

**Senior leadership team**

H C Malbon, Head Teacher  
S Gardiner, Deputy Head Teacher  
C Scaife, KS2 Leader  
L C Robson, EYs/KS1 Leader  
J Lowe, Business Manager

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**Advisers (continued)**

**Independent auditors**

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

**Bankers**

Lloyds Bank plc  
St James House  
137 Albert Road  
Middlesbrough  
TS1 2PP

**Solicitors**

Muckle LLP  
Time Central  
32 Gallowgate  
Newcastle upon Tyne  
NE1 4BF

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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

The trust operates an academy for pupils aged 3 to 11 serving a catchment in Middlesbrough in the north east of England. It has a pupil capacity of 273 with a 26 FTE nursery and a roll of 215 and 22 FTE in the school census dated May 2017.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of Viewley Hill Academy are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Viewley Hill Academy.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

### **Members' liability**

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

### **Trustees' indemnities**

The academy has purchased insurance to protect Trustees from claims arising from damages, judgements or settlements, defence costs and expenses awarded to any claimant. Further details are provided in note 10.

### **Method of recruitment and appointment or election of Trustees**

The term of office for any Trustee shall be four years. The Head Teacher of the academy is a Trustee. The Members appoint up to six community Trustees. Staff Trustees are elected by staff of the academy. The Parent Trustees are elected by parents of registered pupils at the academy and must be a parent of a registered pupil at the academy at the time of appointment. There is Trust Governor nominated by the Umbrella Trust, The Discovery Alliance. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

### **Policies and procedures adopted for the induction and training of Trustees**

The training and induction provided for new Trustees depends on their existing experience. All new Trustees are directed to central induction training delivered by the Local Authority Trustee Development Service. In addition to this, specific training and orientation on educational, legal and financial matters is provided by the Head Teacher, Business Manager and Chair of School Improvement Committee as appropriate. All new Trustees are given a tour of the academy, provided with copies of key policies, procedures, plans and other relevant documents to inform their role. As there are normally only one or two new Trustees a year, induction can be tailored carefully to skills and experience.

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Organisational structure**

During the period 1 September 2016 to 31 August 2017 the academy operated a two layer management structure: the Board of Trustees and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and to encourage involvement in decision making at all levels.

The Trustees are responsible for: setting general policy, influencing the school improvement plan and overseeing the budget forecast, monitoring the academy's financial operations and academic standards and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

The Senior Leadership Team consists of the Head Teacher, Deputy Head Teacher, School Business Manager and two team leaders who manage the academy on a day to day basis implementing policies laid down by the Trustees and reporting back to them. The spending control is devolved to the Head Teacher and Business Manager for authorisation of spending within agreed budgets. Any spending above agreed limits must be referred to the Board of Trustees.

**Arrangements for setting pay and remuneration of key management personnel**

The academy Pay Policy sets out in detail the arrangements for setting pay and remuneration of key management personnel. The policy applies to employees of the academy. Only staff Trustees and the Senior Leadership Team receive pay from the academy as they are employees of the academy. The Trustees have an established committee to carry out determinations of pay in accordance with this policy. In addition there is a Governor Allowances Policy which sets out the conditions which enable a Trustee to request a payment in respect of expenditure necessarily incurred for the purpose of enabling the Trustee or member to perform their governance duty.

**Related Parties and other Connected Charities and Organisations**

Viewley Hill Academy is part of the Discovery Alliance, an Umbrella Trust, established by five neighbouring primary academies and one secondary academy. The Discovery Alliance Umbrella Trust is a company registered in England and Wales. The Discovery Alliance was created to facilitate a closer working relationship between the six schools in order to raise standards, improve the educational experiences for children, promote consistency and improve transition between phases. The Headteachers of the six schools, together with special advisors, form the Raising Achievement Panel (RAP) which meets termly to further the objectives of the Alliance through collaborative working and sharing best practice. Unlike a Multi Academy Trust, the Umbrella Trust and the six schools therein remain autonomous to ensure the best educational outcomes for each, whilst still being able to promote efficiency and effectiveness through a collaborative approach.

**OBJECTIVES AND ACTIVITIES**

**Objects and aims**

- Viewley Hill Academy serves an area of high social and economic deprivation; school deprivation factor 0.52 compared to national of 0.21.
- Average SEN Support: 12.8 compared to 12.1 nationally
- Significantly above average percentage of free school meals; 62.8% compared to 25.2% nationally.

To assist academic study and support good attendance, the academy runs a breakfast club, small group and individual interventions for identified pupils and maintains a high staffing ratio to meet our children's often complex pastoral needs. The academy also offers its pupils a wide range of activities and experiences beyond the academic, with coaching in various sports, participation in musical activities, educational visits and residential outdoor experience.

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**OBJECTIVES AND ACTIVITIES (continued)**

**Objects and aims (continued)**

- The academy's objectives are specifically restricted to the following:
- 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, and
  - to promote for the benefit of inhabitants of Middlesbrough and the surrounding areas the provision of facilities for sport, recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving conditions of life of the said inhabitants.

**Objectives, strategies and activities**

The main objectives of the academy for the period 1 September 2016 to 31 August 2017 are summarised below:

**KS1 Provision and Standards**

- Narrow gap with national outcomes in Y2 in all subjects.

**Whole School**

- Develop provision to secure improved outcomes at greater depth across subjects

The academy's main objectives are captured in its vision statement which articulates the academy's ethos and strategies for achieving its objectives – see below:

- Our vision sees Viewley Hill at the heart of our community where every family is valued and welcomed.
- We aim to inspire each child to believe in their own potential and provide them with life skills they need for their future.
- We will promote independence, curiosity and resilience; skills which will encourage our children to become life-long learners.
- We will provide a curriculum that is engaging and challenging and which responds to the needs of our children and enriches their experience of the world.
- We will support our children in becoming responsible and considerate young people. We will ensure their voice is heard and encourage them to contribute fully to the life of our school.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 3 and 11.

**Public benefit**

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

**STRATEGIC REPORT**

**Achievements and Performance**

The academy is increasingly popular with an increased role over the past four years. The academy has a five year trend of improving results which evidences achievement against the stated objective of narrowing gaps with national outcomes in KS1 and improving performance at Greater Depth. Both of these measures were achieved in the 2017 results.

**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**STRATEGIC REPORT (continued)**

**Key performance indicators**

Outcomes in 2017 (against new national standards) have sustained the academy's track record of high achievement against the national average.

**OUTCOMES 2017**  
**EARLY YEARS (34 pupils)**

ELG Reading National 2016 77%		ELG Writing National 2016 73%		ELG Number National 2016 79%		Good Level of Development National 2016 69%	
2016	2017	2016	2017	2016	2017	2016	2017
73%	79%	63%	71%	73%	74%	63%	71%

**PHONICS SCREENING CHECK (Y1 – 37 pupils, Y2 – 7 pupils)**

Year 1 National 2016 81%		Year 2 National 2016 92%	
2016	2017	2016	2017
82%	76%	100%	86%

**KEY STAGE 1 (38 pupils)**

Reading National 2016 74%		Writing National 2016 66%		Maths National 2016 73%		Combined National 2016 60%	
2016	2017	2016	2017	2016	2017	2016	2017
60%	82%	57%	82%	70%	76%	53%	74%

**KEY STAGE 2 (28 children)**

Reading National 2017 71%		Writing National 2017 76%		Maths National 2017 75%		Combined National 2017 61%	
2016	2017	2016	2017	2016	2017	2016	2017
70%	75%	77%	86%	83%	68%	53%	61%

KS1-KS2 PROGRESS			Progress scores are centred around 0, with most schools within the range of -5 to +5.  • A score of 0 means pupils in this school on average do about as well at KS2 as those with similar prior attainment nationally.  • A positive score means pupils in this school on average do better at KS2 as those with similar prior attainment nationally.  • A negative score means pupils in this school on average do worse at KS2 as those with similar prior attainment nationally.
	2016	2017	
Reading	+0.2	+1.5	
Writing	+1.4	+4.5	
Maths	+0.8	+1.7	



**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**STRATEGIC REPORT (continued)**

**Going Concern**

After making appropriate enquiries, the Board of Trustees 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.

**FINANCIAL REVIEW**

**Finance Review**

Most of the academy's income is obtained from the DfE in the form of recurrent grants disbursed via the Education and Skills Funding Agency (ESFA), the use of which is restricted to particular purposes. The grants received during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the period ended 31 August 2017, total expenditure of £1,525,000 was in excess of recurrent grant funding from the DfE together with other incoming resources. The excess of expenditure over income for the period (excluding restricted fixed asset funds, pension deficit on conversion and before transfers) was £28,000.

At 31 August 2017 the net book value of fixed assets was £2,571,000 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The provisions of Financial Reporting Standard (FRS) 102 have been applied in full in respect of the LGPS pensions scheme, resulting in a deficit of £338,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2017 of £2,427,000 comprising £2,376,000 of restricted funds and £51,000 of unrestricted funds.

**Reserves policy**

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

The academy's reserves policy:

- Assists in strategic planning by considering how new projects or activities will be funded.
- Informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects.
- Informs the budget and risk management process by identifying any uncertainty in future income streams.

When considering an appropriate level of reserves, the Trustees consider:

- The risk of unforeseen emergency or other unexpected need for funds.
- Covering unforeseen day-to-day operational costs, for example employing temporary staff to cover a long-term sick absence.
- A fall in a source of income, such as lettings.

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**FINANCIAL REVIEW (continued)**

**Reserves policy (continued)**

- Planned commitments, or designations, that cannot be met by future income alone, for example plans for a major capital project.
- The need to fund potential deficits in a cash budget, for example money may need to be spent before a funding grant is received.

The financial risks identified determine the amount of reserves the academy targets to hold. Viewley Hill Academy has decided that the reserves level for 2016-17 will be £50,000 based on analysis of the points above and the likelihood that they may occur and the amount of funding that would be required if they did.

General, non-fixed, asset funds at 31 August 2017 amount to £194,000 and has reached the above policy objective.

**Investment Policy**

The academy keeps the necessary funds in the main bank account for daily operations and hold surpluses on deposit making transfers as necessary. However, there are limited amounts on deposit and the interest on them is negligible.

**Principal risks and uncertainties**

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating specifically to teaching, provision of facilities and other operational areas of the academy and its finances. The Trustees 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, school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial control and this is explained in more detail in the Governance Statement.

The Trustees believe that the academy's risk management procedures mitigate as far as reasonably possible the principal risks and uncertainties facing it. The academy does not have significant trade debtors. Cash flow is monitored daily by the academy and budgets are presented to the Board of Trustees who consider cash flow and liquidity in detail.

Through the academy's risk management procedures, it has considered its principal risks and uncertainties and planned mitigating action wherever possible. The principal risks and uncertainties identified by the board of trustees are:

- Change in government funding regime.
- Changes to Teachers Pension Scheme and LGPS.
- Reduction in student numbers either through competition or a damaged reputation.
- Reduction in standards/poor Ofsted grading.

Key controls that the academy has in place to mitigate these risks include:

- Participation via academy Head Teacher representation in Local Authority SMF to keep up to date with and influence as far as possible academy funding methodology.
- Regular challenge and support on standards and performance between related Umbrella Trust academies.
- Use of external consultants to monitor, develop and improve school standards.

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**PLANS FOR FUTURE PERIODS**

Prior to conversion the academy was two years into a three to five year refurbishment programme plan to upgrade the teaching areas and technology, both educational and operational. At the point of conversion 4 classrooms and 2 link rooms had been completed and benefited from new ceiling insulation, grids and tiles, new carpets, new heating and lights throughout. A new IT suite had been installed comprising 30 new machines and new interactive whiteboard. Partitions to separate open plan areas had been installed and a comprehensive redecorating programme had been completed.

Since conversion the academy has installed Wi-Fi throughout the site, refurbished a further 4 classrooms and link corridor. Since the first phase we have moved to LED lighting, a new option, which offers both financial and environmental savings.

During the period 1 September 2016 to 31 August 2017 further teaching areas have been upgraded to the same standard as prior upgrades (including insulation, ceiling grids, tiles and LED lighting). A new nurture room has been developed providing a multi-function space for adults to work therapeutically with children. Additional perimeter fencing was also installed to increase site security further.

Our review of the staffing profile based on pupil numbers led to teacher appointments and the creation of an additional classroom.

The academy has identified the following areas for future development 2017-18:

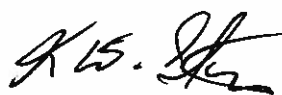
- Review of staffing profile based on pupil roll
- Roof repairs and associated window works
- Review of shared areas in need of refurbishment to same standard as classrooms
- Further development of central courtyard area to provide additional outdoor learning opportunities

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Report was approved by order of the Board of Trustees, as the company Directors, on 6 December 2017 and signed on its behalf by:



**Rev K E Stone**  
**Chair**

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT**

**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Viewley Hill Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The Finance and Resources Committee act as the audit committee for the Board of Trustees. The audit committee's role is to help the Trustees meet their responsibilities for risk management, having effective internal controls and the efficient and effective use of funds. The audit committee is therefore part of the financial governance arrangements of the academy. The audit committee acts on the authority delegated to it by the Trustees and has appropriate terms of reference and a clear reporting line to that body.

**Governance**

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

**FULL GOVERNING BODY**

The Full Governing Board met on three occasions (7 December 2016, 29 March 2017 and 5 July 2017) during the period of the 2016/2017 academic year

Trustee	Meetings attended	Out of a possible
Rev K E Stone	3	3
P Bowler (appointed 7 December 2016)	2	2
T Brown (appointed 7 December 2016)	2	2
P Cowley	2	3
G Dorman-Smith	2	3
H C Malbon	3	3
J Measor	3	3
R L Moffat	3	3
L C Robson	1	3
L E Sinclair	2	3
J Thirkell (appointed 7 December 2016)	2	2
H Turley	3	3
A Rice (resigned 21 October 2016)	0	0
K Maughan (resigned 30 November 2016)	0	0

**For Information**

- S Gardiner, Deputy Headteacher, and J Lowe, School Business Manager, attended meetings in an advisory capacity.
- J Bruce, Member, attended the meeting held on 7 December 2016.

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

**Governance (continued)**

**FINANCE AND RESOURCES COMMITTEE**

The Finance and Resources Committee met on three occasions (16 November 2016, 8 March 2017 and 14 June 2017) during the 2016/17 academic year.

The Finance and Resources Committee is a sub-committee of the main Board of Trustees. Its principal purpose is to:

- Set and approve the annual budget;
- Receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the school improvement plan;
- Carry out the functions of an audit committee

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Measor, Chair	3	3
P Bowler (appointed 7 December 2016)	2	2
T Brown (appointed 7 December 2016)	1	1
H C Malbon, Headteacher	3	3
K Maughan (resigned 30 November 2016)	0	1
L C Robson	2	3
L E Sinclair	1	1
Rev K E Stone	3	3
J Thirkell (appointed 7 December 2016)	2	2

**For Information**

- J Lowe, School Business Manager attends meetings in an advisory capacity
- L E Sinclair left the committee to join the School Improvement Committee with effect from 19 December 2016
- T Brown, parent Trustee, attended a meeting on 14 June 2017, as an observer

**SCHOOL IMPROVEMENT COMMITTEE**

The School Improvement Committee met on three occasions (19 October 2016, 14 February 2017 and 24 May 2017) during the 2016/2017 academic year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G Dorman-Smith, Chair	3	3
T Brown	2	2
H C Malbon, Head Teacher	3	3
R L Moffatt	3	3
A Rice (resigned 21 October 2016)	0	1
L Sinclair	1	2
Rev K Stone	3	3
H Turley	3	2

**For Information**

- T Brown and L E Sinclair joined the committee with effect from 7 December 2016

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

**Governance (continued)**

**TRUST BOARD**

The Trust Board met on one occasion (17 July 2017) during the 2016/2017 academic year

Member	Meetings Attended	Out of a possible
J Bruce	1	1
K Maughan	0	1
Rev K Stone	1	1

**Review of Value for Money**

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

The Accounting Officer considers how the academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

**1. Improving Educational Outcomes**

Achievement has continued to rapidly improve over the last five years to ensure that school meets, and in several measures now exceeds, national attainment and progress averages. This is as a result of careful strategic financial planning that has enabled staff recruitment and training to impact on standards.

Outcomes at end of Foundation stage have risen again this year by 8%. This means there has been a 39% increase since 2013. From starting points that are below average these outcomes indicate excellent progress.

At the end of KS1 outcomes in 2017 are anticipated to be above national for the first time for attainment at age related expectations. In addition to children reaching the expected standard we have significantly improved outcomes for children at 'Greater Depth' increasing reading by 16%, writing by 18% and maths by 13%.

The academy is again pleased with end of Key Stage 2 outcomes in 2016. Our attainment scores in reading and writing are higher than national and progress rates evidence that children in this school on average do better at KS2 than those with similar attainment nationally. Combined attainment is at the national average of 61% which is an 8% increase on 2016.

**2. Financial Governance and oversight of academy's finances**

The academy benefits from the provision of a suitably qualified Internal Auditor. The IA ensures a robust programme of monitoring is carried out over three full on-site days. This process interrogates internal systems and controls which ensure the appropriate management of financial procedures in the academy meet the criteria stated in the Academies Financial Handbook. The outcomes of this audit have been reviewed by the Accounting Officer and the Finance and Resources Governor sub-committee and the academy is found to be compliant in all areas.

Further to this, the academy has completed year end accounts through an external audit carried out over four full on-site days and additional remote assessment. No significant control issues have been identified by the auditors.

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

**Review of Value for Money (continued)**

Any large expenditure items are presented to the Board of Trustees who decide the appropriateness of the spending suggested.

In 2016-17

- Trustees consulted on installing additional perimeter fencing to improve site security. This was agreed based on the vital importance of safeguarding children at the academy and fencing was erected in the Autumn Term.
- Trustees consulted on funding an additional part time teacher for a fixed period in order to improve the attainment of a target group of pupils. Trustees based their decision on performance data provided to them and the impact on future end of key stage outcomes for the school. As a result, a part time teacher was employed for one term which did have measureable impact on the attainment of the cohort.
- Trustees consulted on a continuation of the significant upgrade to classrooms including ceiling, insulation and lighting. Trustees based their decision on cost, quality and long term savings over time. This was to provide an additional teaching class and upgrade an existing class to facilitate our small class sizes leading to positive impact on outcomes.

The academy's Trustees approve the budget each year and also receive and approve the annual accounts and the External Auditor's Management Report. Trustees regularly review expenditure against budget and receive a termly report from the Academy Business Manager. Minutes reflect robust challenge and questions regarding expenditure and income.

**3. Better Purchasing**

Viewley Hill Academy operates a best value strategy for purchasing provision. Contracts and Service Level Agreements are reviewed on a yearly basis to ensure that a competitive pricing structure is in place. Quality of service received is also continually reviewed and providers are challenged to deliver the highest standards. This identifies any areas requiring improvement or change with competitive comparisons carried out with local suppliers.

During 2016-17

- Change of energy supplier generating a saving of approximately £1,000
- Negotiated better value insurance via broker compared to the RPA offer, saving £6,000
- Taken management of data and CENSUS returns in-house therefore saving £1,800 in SLAs to LA
- Change of free school meals checking supplier saving approximately £2,000

The academy works closely with other academies in The Discovery Alliance to source strong procurement. This year we have continued to collaborate on joint CPD costs and our insurance provider. Both of these measures have created significant savings to individual academies.

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Viewley Hill Academy for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The Risk and Control Framework**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Sean Hogg, finance officer for Kier Education Services as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period cover the following aspects of academy business:

- Leadership and Governance
- People Management
- Policy and Strategy
- Partnership and Resources
- Processes

The IA reports to the accounting officer who in turn reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The areas covered by this work programme are: Leadership & Governance, People Management, Policy and Strategy, Partnership and Resources, and Processes. The IA prepares a full written report annually. Actions arising from last period's recommendations include the compiling of a simple user guide to the SAGE50 procedures and ensuring that new Trustees are appropriately briefed on financial data during induction as appropriate.

Recommendations to be actioned during the period 1 September 2017 to 31 August 2018:

- Register of Trustee Interests are on the website although there is no indication of when the data was provided. It is recommended that the date of when the data was provided is included on the website.



**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**GOVERNANCE STATEMENT (continued)**

**Review of Effectiveness**

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 6 December 2017 and signed on their behalf, by:



**Rev K E Stone**  
**Chair**



**H C Malbon**  
**Accounting Officer**

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Viewley Hill Academy I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy 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 2016.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



**H Malbon**  
**Accounting Officer**

6 December 2017

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who act as Governors of Viewley Hill Academy and are also 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 issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments 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;
- 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 ESFA/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 of Trustees on 6 December 2017 and signed on its behalf by:



**Rev K E Stone**  
Chair

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
VIEWLEY HILL ACADEMY**

**Opinion**

We have audited the financial statements of Viewley Hill Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
VIEWLEY HILL ACADEMY**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees (who are also the Directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
VIEWLEY HILL ACADEMY**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.



Kevin Shotton BA FCA (Senior Statutory Auditor)

for and on behalf of

**Clive Owen LLP**

Chartered Accountants  
and Statutory Auditors

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

6 December 2017

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO VIEWLEY HILL ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 3 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Viewley Hill Academy during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of Viewley Hill Academy's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Viewley Hill Academy's funding agreement with the Secretary of State for Education dated 18 December 2013, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO VIEWLEY  
HILL ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

**Approach (continued)**

The work undertaken to draw to our conclusion includes:

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Clive Owen LLP*

**Clive Owen LLP**

Reporting Accountant

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

6 December 2017



**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>INCOME FROM:</b>						
Donations and capital grants	2	1	-	7	8	8
Charitable activities	3	-	1,387	-	1,387	1,358
Other trading activities	4	43	-	-	43	43
<b>TOTAL INCOME</b>		<b>44</b>	<b>1,387</b>	<b>7</b>	<b>1,438</b>	<b>1,409</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		44	1,415	66	1,525	1,526
<b>TOTAL EXPENDITURE</b>	6	<b>44</b>	<b>1,415</b>	<b>66</b>	<b>1,525</b>	<b>1,526</b>
<b>NET EXPENDITURE BEFORE TRANSFERS</b>						
Transfers between Funds	14	-	(28)	(59)	(87)	(117)
		-	(4)	4	-	-
<b>NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		-	(32)	(55)	(87)	(117)
Actuarial gains/(losses) on defined benefit pension schemes	18	-	107	-	107	(232)
<b>NET MOVEMENT IN FUNDS</b>		<b>-</b>	<b>75</b>	<b>(55)</b>	<b>20</b>	<b>(349)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		51	(270)	2,626	2,407	2,756
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>51</b>	<b>(195)</b>	<b>2,571</b>	<b>2,427</b>	<b>2,407</b>

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 08803858**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£000	2017 £000	2016 £000
<b>FIXED ASSETS</b>				
Tangible assets	11		2,571	2,623
<b>CURRENT ASSETS</b>				
Debtors	12	55		69
Cash at bank and in hand		223		167
		<u>278</u>		<u>236</u>
<b>CREDITORS:</b> amounts falling due within one year	13	(84)		(70)
<b>NET CURRENT ASSETS</b>			<u>194</u>	<u>166</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,765</u>	<u>2,789</u>
Defined benefit pension scheme liability	18		<u>(338)</u>	<u>(382)</u>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>2,427</u></u>	<u><u>2,407</u></u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted income funds:				
Restricted income funds	14	143		112
Restricted fixed asset funds	14	2,571		2,626
Restricted income funds excluding pension liability		2,714		2,738
Pension reserve		<u>(338)</u>		<u>(382)</u>
Total restricted income funds			<u>2,376</u>	<u>2,356</u>
Unrestricted income funds	14		<u>51</u>	<u>51</u>
<b>TOTAL FUNDS</b>			<u><u>2,427</u></u>	<u><u>2,407</u></u>

The financial statements on pages 23 to 43 were approved by the Trustees, and authorised for issue, on 6 December 2017 and are signed on their behalf, by:



**Rev K E Stone**  
**Chair**

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £000	2016 £000
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	16	63	(80)
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(14)	(4)
Capital grants from DfE/ESFA		7	7
<b>Net cash (used in)/provided by investing activities</b>		(7)	3
<b>Change in cash and cash equivalents in the year</b>		56	(77)
Cash and cash equivalents brought forward		167	244
<b>Cash and cash equivalents carried forward</b>		223	167

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

Viewley Hill Academy constitutes a public benefit entity as defined by FRS 102.

**1.2 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 academy 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.

**1.3 INCOME**

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.4 EXPENDITURE**

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £3,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	50 years
Long-term leasehold land	-	Not depreciated
Fixtures and fittings	-	3 - 4 years
Computer equipment	-	2 years

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

**1.6 INTEREST RECEIVABLE**

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

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.7 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

**1.8 DEBTORS**

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

**1.9 CASH AT BANK AND IN HAND**

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

**1.10 LIABILITIES AND PROVISIONS**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.11 FINANCIAL INSTRUMENTS**

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 13. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

**1.12 TAXATION**

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

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

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

**1. ACCOUNTING POLICIES (continued)**

**1.13 PENSIONS**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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 18, 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 is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.14 FUND ACCOUNTING**

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

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

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

**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

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

**1. ACCOUNTING POLICIES (continued)**

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

Estimates and judgments 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 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £66,000.

Land and buildings - Land and buildings are held under a 125 year lease from Middlesbrough Borough Council. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

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

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Donations	1	-	-	1	1
Capital grants	-	-	7	7	7
	<u>1</u>	<u>-</u>	<u>7</u>	<u>8</u>	<u>8</u>
<i>Total 2016</i>	<u>1</u>	<u>-</u>	<u>7</u>	<u>8</u>	



**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

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

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

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	1,068	1,068	1,018
Pupil Premium	-	183	183	186
Other DfE/ESFA grants	-	39	39	45
	<u>-</u>	<u>1,290</u>	<u>1,290</u>	<u>1,249</u>
<b>Other government grants</b>				
SEN	-	6	6	6
Other Government grants	-	87	87	101
	<u>-</u>	<u>93</u>	<u>93</u>	<u>107</u>
<b>Other funding</b>				
Other grants	-	4	4	2
	<u>-</u>	<u>4</u>	<u>4</u>	<u>2</u>
	<u>-</u>	<u>1,387</u>	<u>1,387</u>	<u>1,358</u>
<i>Total 2016</i>	<u>-</u>	<u>1,358</u>	<u>1,358</u>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Other income	14	-	14	15
Uniform income	1	-	1	1
Trips	4	-	4	5
Staff insurance	11	-	11	11
Catering	13	-	13	11
	<u>43</u>	<u>-</u>	<u>43</u>	<u>43</u>
<i>Total 2016</i>	<u>43</u>	<u>-</u>	<u>43</u>	

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

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

**5. CHARITABLE ACTIVITIES**

	2017 £000	2016 £000
<b>DIRECT COSTS</b>		
Wages and salaries	744	727
National insurance	63	52
Pension cost	166	98
Educational supplies	50	55
Staff development	8	10
Technology costs	19	25
Other direct costs	10	2
	<hr/> 1,060	<hr/> 969
<b>SUPPORT COSTS</b>		
Wages and salaries	94	88
National insurance	6	5
Pension costs	12	38
Depreciation	66	73
Net interest cost on pension scheme	7	4
Recruitment and support	3	3
Maintenance of premises and equipment	25	109
Cleaning	39	31
Rates	11	9
Energy	20	22
Insurance	25	31
Security	2	3
Technology costs	14	14
Catering	92	87
Occupancy costs	1	1
Bank interest and charges	4	4
Other support costs	34	25
Governance costs	10	10
	<hr/> 465	<hr/> 557
	<hr/> <hr/> 1,525	<hr/> <hr/> 1,526

**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

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

**6. EXPENDITURE**

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Academy's educational operations:					
Direct costs	973	-	87	1,060	969
Support costs	112	184	169	465	557
	<u>1,085</u>	<u>184</u>	<u>256</u>	<u>1,525</u>	<u>1,526</u>
<i>Total 2016</i>	<u>1,008</u>	<u>262</u>	<u>256</u>	<u>1,526</u>	

In 2017, of the total expenditure, £44,000 (2016 - £46,000) was to unrestricted funds and £1,481,000 (2016 - £1,480,000) was to restricted funds.

There were not individual transactions exceeding £5,000 for:

- Compensation payments
- Gifts made by the academy
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

There were no ex-gratia payments in the year.

**7. NET INCOME/(EXPENDITURE)**

This is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets:		
- owned by the charity	66	73
Auditors' remuneration - audit	5	5
Auditors' remuneration - other services	4	5
Operating lease rentals	12	12
	<u>          </u>	<u>          </u>

**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

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

**8. STAFF COSTS**

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	787	785
Social security costs	69	57
Operating costs of defined benefit pension schemes	178	136
	<u>1,034</u>	<u>978</u>
Supply staff costs	51	30
	<u>1,085</u>	<u>1,008</u>

Included in operating costs of defined benefit pensions scheme is a charge of £56,000 (2016: £13,000) relating to the pension deficit actuarial adjustment and a charge of £Nil (2016: £7,000) relating to pension costs for staff supplied by Middlesbrough Council.

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

	2017 No.	2016 No.
Teachers	10	10
Administration and support	28	27
Management	6	5
	<u>44</u>	<u>42</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the academy trust comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £301,000 (2016: £295,000).

**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

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

**9. 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 Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and other 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:

		2017 £000	2016 £000
H Malbon, Accounting Officer	Remuneration	55-60	55-60
	Pension contributions paid	5-10	5-10
L Robson, Trustee	Remuneration	40-45	45-50
	Pension contributions paid	5-10	5-10
H Turley, Trustee	Remuneration	10-15	35-40
	Pension contributions paid	0-5	5-10

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

**10. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim however it is not possible to quantify trustees and officers indemnity element from the overall cost.

**11. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>COST</b>				
At 1 September 2016	2,744	39	31	2,814
Additions	3	11	-	14
At 31 August 2017	2,747	50	31	2,828
<b>DEPRECIATION</b>				
At 1 September 2016	143	17	31	191
Charge for the year	54	12	-	66
At 31 August 2017	197	29	31	257
<b>NET BOOK VALUE</b>				
At 31 August 2017	2,550	21	-	2,571
At 31 August 2016	2,601	22	-	2,623

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

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

**12. DEBTORS**

	2017 £000	2016 £000
Trade debtors	-	2
VAT recoverable	10	12
Prepayments and accrued income	45	55
	<u>55</u>	<u>69</u>

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

	2017 £000	2016 £000
Trade creditors	31	18
Other taxation and social security	16	16
Other creditors	15	15
Accruals and deferred income	22	21
	<u>84</u>	<u>70</u>

**DEFERRED INCOME**

	2017 £000	2016 £000
Deferred income at 1 September 2016	14	10
Resources deferred during the year	16	14
Amounts released from previous years	(14)	(10)
Deferred income at 31 August 2017	<u>16</u>	<u>14</u>

Deferred income includes free school meals funding which relates to the following academic year.

**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

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

**14. STATEMENT OF FUNDS**

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
<b>UNRESTRICTED FUNDS</b>						
Unrestricted general funds	51	44	(44)	-	-	51
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	112	1,068	(1,034)	(4)	-	142
Pupil Premium	-	183	(183)	-	-	-
Other DfE/ESFA grants	-	30	(30)	-	-	-
Other Government grants	-	93	(93)	-	-	-
PE & Sports Grant	-	9	(9)	-	-	1
Other grants	-	4	(3)	-	-	-
Pension reserve	(382)	-	(63)	-	107	(338)
	<u>(270)</u>	<u>1,387</u>	<u>(1,415)</u>	<u>(4)</u>	<u>107</u>	<u>(195)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Inherited on conversion	2,590	-	(54)	-	-	2,536
DfE/ESFA Capital grants	6	7	(2)	-	-	11
Capital expenditure from GAG	30	-	(10)	4	-	24
	<u>2,626</u>	<u>7</u>	<u>(66)</u>	<u>4</u>	<u>-</u>	<u>2,571</u>
Total restricted funds	<u>2,356</u>	<u>1,394</u>	<u>(1,481)</u>	<u>-</u>	<u>107</u>	<u>2,376</u>
Total of funds	<u>2,407</u>	<u>1,438</u>	<u>(1,525)</u>	<u>-</u>	<u>107</u>	<u>2,427</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2016 £000
<b>UNRESTRICTED FUNDS</b>						
Unrestricted general funds	51	46	(46)	-	-	51
	<u>51</u>	<u>46</u>	<u>(46)</u>	<u>-</u>	<u>-</u>	<u>51</u>

**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

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

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

**RESTRICTED FUNDS**

General Annual Grant (GAG)	146	1,018	(1,052)	-	-	112
Pupil Premium	-	186	(186)	-	-	-
Other DfE/ESFA grants	-	21	(21)	-	-	-
Other Government grants	-	131	(131)	-	-	-
Pension reserve	(133)	-	(17)	(232)	-	(382)
	<u>13</u>	<u>1,356</u>	<u>(1,407)</u>	<u>(232)</u>	<u>-</u>	<u>(270)</u>

**RESTRICTED FIXED ASSET FUNDS**

Inherited on conversion	2,648	-	(58)	-	-	2,590
DfE/ESFA Capital grants	-	7	(1)	-	-	6
Capital expenditure from GAG	44	-	(14)	-	-	30
	<u>2,692</u>	<u>7</u>	<u>(73)</u>	<u>-</u>	<u>-</u>	<u>2,626</u>
Total restricted funds	<u>2,705</u>	<u>1,363</u>	<u>(1,480)</u>	<u>(232)</u>	<u>-</u>	<u>2,356</u>
Total of funds	<u>2,756</u>	<u>1,409</u>	<u>(1,526)</u>	<u>(232)</u>	<u>-</u>	<u>2,407</u>

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

The General Annual Grant (GAG) must be used for the normal running of the academy including salaries and related costs, overheads, repairs and maintenance, and insurance.

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

Other DfE/ESFA grants includes pupil premium funding target at disadvantaged pupils, universal infant free school meas funding and the PE and sport grant.

Other Government grants include Early Years funding for three and four year old children and funding for pupils with Special Educational Needs.

The pension reserves is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 18.

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

Unrestricted funds include the income from uniform sales, school trips and catering with the costs allocated accordingly.

Transfers of £4,000 were made from General Annual Grant for the purchase of fixed assets during the year.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.



**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

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

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

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	2,571	2,571
Current assets	51	227	-	278
Creditors due within one year	-	(84)	-	(84)
Provisions for liabilities and charges	-	(338)	-	(338)
	<u>51</u>	<u>(195)</u>	<u>2,571</u>	<u>2,427</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
Tangible fixed assets	-	-	2,623	2,623
Current assets	51	182	3	236
Creditors due within one year	-	(70)	-	(70)
Provisions for liabilities and charges	-	(382)	-	(382)
	<u>51</u>	<u>(270)</u>	<u>2,626</u>	<u>2,407</u>

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

	2017 £000	2016 £000
Net expenditure for the year (as per Statement of Financial Activities)	(87)	(117)
<b>Adjustment for:</b>		
Depreciation charges	66	73
Decrease in debtors	14	34
Increase/(decrease) in creditors	14	(80)
Capital grants from DfE and other capital income	(7)	(7)
Defined benefit pension scheme cost less contributions payable	63	17
<b>Net cash provided by/(used in) operating activities</b>	<u>63</u>	<u>(80)</u>

**17. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £000	2016 £000
Cash in hand	223	167
<b>Total</b>	<u>223</u>	<u>167</u>

**VIEWLEY HILL ACADEMY**  
**(A Company Limited by Guarantee)**

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

**18. PENSION COMMITMENTS**

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Middlesbrough Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £15,000 were payable to the schemes at 31 August 2017 (2016 - £15,000) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, 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 £81,000 (2016 - £78,000).

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

**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

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

**18. PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £56,000 (2016 - £53,000), of which employer's contributions totalled £41,000 (2016 - £38,000) and employees' contributions totalled £15,000 (2016 - £15,000). The agreed contribution rates for future years are 12.4% for employers and 5.5% - 8.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.00 %	3.40 %
Rate of increase for pensions in payment / inflation	2.00 %	1.90 %
Inflation assumption (CPI)	2.00 %	1.90 %
Commutation of pensions to lump sums	80.00 %	80.00 %

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

	2017	2016
Retiring today		
Males	22.8	23.1
Females	24.9	25.6
Retiring in 20 years		
Males	25.0	25.3
Females	27.2	28.0

	At 31 August 2017 £000	At 31 August 2016 £000
<b>Sensitivity analysis</b>		
Discount rate +0.1%	1,036	712
Discount rate -0.1%	1,084	745
Mortality assumption - 1 year increase	1,028	751
Mortality assumption - 1 year decrease	1,092	705
CPI rate +0.1%	1,076	738
CPI rate -0.1%	1,044	718

**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

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

**18. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	571	295
Bonds	-	3
Corporate bonds	1	3
Property	46	25
Cash and other liquid assets	92	20
Other	12	-
Total market value of assets	<u>722</u>	<u>346</u>

The actual return on scheme assets was £276,000 (2016 - £48,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £000	2016 £000
Current service cost	(97)	(51)
Interest income	8	12
Interest cost	(15)	(16)
Total	<u>(104)</u>	<u>(55)</u>

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

	2017 £000	2016 £000
Opening defined benefit obligation	728	447
Current service cost	97	51
Interest cost	15	16
Employee contributions	15	15
Actuarial losses	161	268
Benefits paid	44	(69)
Closing defined benefit obligation	<u>1,060</u>	<u>728</u>

**VIEWLEY HILL ACADEMY**  
(A Company Limited by Guarantee)

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

**18. PENSION COMMITMENTS (continued)**

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

	2017 £000	2016 £000
Opening fair value of scheme assets	346	314
Expected return on assets	8	12
Actuarial losses	268	36
Employer contributions	41	38
Employee contributions	15	15
Benefits paid	44	(69)
	<hr/>	<hr/>
Closing fair value of scheme assets	722	346
	<hr/> <hr/>	<hr/> <hr/>

**19. OPERATING LEASE COMMITMENTS**

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

	2017 £000	2016 £000
<b>AMOUNTS PAYABLE:</b>		
Within one year	5	12
Between one and five years	1	7
	<hr/>	<hr/>
Total	6	19
	<hr/> <hr/>	<hr/> <hr/>

**20. 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.

**21. RELATED PARTY TRANSACTIONS**

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

During the period support services to the value of £532 (2016: £Nil) were provided by Rose Wood Academy and services provided to the value of £501 (2016: £Nil) were provided to Rose Wood Academy, an academy in which H Malbon and P Cowley are Governors.

During the period support services to the value of £2,425 (2016: £Nil) were provided by The Bungalow Project, a charity in which L Sinclair is also a Trustee.

During the period support services to the value of £300 (2016: £Nil) were provided by Cornerstones Educational Limited, a limited company in which L Sinclair's daughter is a Director.

In entering into the above transactions the trust has complied with the requirements of the Academies Financial Handbook.

