

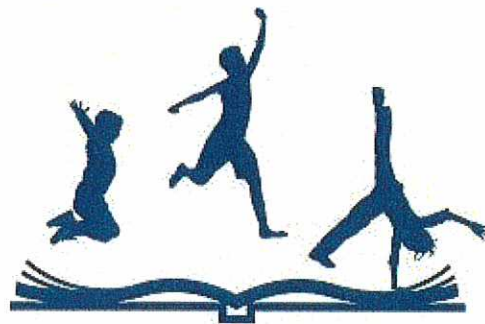
Registration number: 07673903

# Runwell Community Primary School Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2016



**Runwell Community**  
**Primary School**



**Edmund Carr LLP**  
**Chartered Accountants & Statutory Auditor**  
**146 New London Road**  
**Chelmsford**  
**Essex**  
**CM2 0AW**

# **Runwell Community Primary School Academy Trust**

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## **Runwell Community Primary School Academy Trust**

### **Reference and Administrative Details**

**Governors (Trustees)** Suzanne Wright, Chairperson (to 12th July 2016) and Community Governor\*  
Dawn Hutson, Community Governor \* (resigned 7 October 2015)  
Joanne Madders, Company Secretary and Staff Governor  
Sharon Brooks, Community Governor  
Christine Creek, Staff Governor  
Graham Larke, Community Governor (resigned 1 March 2016)  
Christopher Wyle, Chairperson of Resources and Community Governor  
William Nelson, Community Governor \* (resigned 27 February 2016)  
Gill Hearsey, Chairperson (from 12th July 2016), Chairperson of Curriculum Committee and Community Governor  
Andrew Hufton, Vice Chairperson of Curriculum Committee Parent Governor  
Lisa Thompson, Vice Chairperson, Chairperson of Resources and Parent Governor (resigned 10 February 2016)  
Lynn Barwell, Staff Governor  
Sarah Lousie Hoskyns- Staples, Headteacher & Accounting Officer (resigned 31 August 2016)  
Melissa Cookson, Parent Governor (appointed 15 April 2016)  
Martin Cooper, Community Governor (appointed 17 May 2016)  
Yvonne Waterhouse, Vice Chairperson and Community Governor (appointed 27 January 2016)  
Sasha Furze, Headteacher & Accounting Officer (appointed 1 September 2016)

\* - Member

## **Runwell Community Primary School Academy Trust**

### **Reference and Administrative Details (continued)**

<b>Company Secretary</b>	Joanne Madders
<b>Senior Management Team</b>	Christine Creek, Deputy Head/ Leader of UKS2 Joanne Madders, School Business Manager Natasha Hatfield, Leader of KS1 Rhian Matthews, Leader of LKS2 Jackie Thornton, SENCO Yvette Baker, Senior Teaching Assistant Nina McKay, Leader of EYFS
<b>Head Teacher and Registered Office</b>	Sasha Furze Runwell Community Primary School Canewdon Gardens Runwell Wickford Essex SS11 7BJ
<b>Company Registration Number</b>	07673903
<b>Auditors</b>	Edmund Carr LLP Chartered Accountants & Statutory Auditor 146 New London Road Chelmsford Essex CM2 0AW
<b>Bankers</b>	Lloyds Bank PLC PO Box 1000 Andover BX1 1LT
<b>Solicitors</b>	Browne Jacobson LLP 44 Castle Gate Nottingham NG1 7BJ

## **Runwell Community Primary School Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2016**

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

#### **Structure, governance and management**

##### ***Constitution***

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company is governed by the rules and regulations set down in its company Memorandum and Articles of Association dated 17th June 2011. The company registration number is 07673903.

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

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

##### ***Members' liability***

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

The current members of the charitable company are Suzanne Wright, Gill Hearsey, Andrew Hufton and Christopher Wyle.

##### ***Trustees' indemnities***

The charitable company has purchased governors' and officers' insurance, details of which are shown in note 11 to the financial statements.

##### ***Principal Activities***

The principal activity of RCPS is currently to run a primary school in Runwell for boys and girls.

RCPS also holds the accreditation for Thames Primary SCITT which offers PGCE and QTS to primary trainee teachers.

RCPS runs a school that was originally a local authority operated school that was founded in 1980 and converted to academy status on 1st August 2011. The charitable company was incorporated on 17th June 2011.

## **Runwell Community Primary School Academy Trust**

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

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

The governing body is responsible for arranging the recruitment of, and for the appointment of, Parent and Community Governors. New governors will be appointed to the board in accordance with the rules and regulations set down in the company Memorandum and Articles of Association.

Nominations for Parents Governors are sought from parents/guardians of pupils at the school. Any contested election is decided by a secret ballot. Nominations for Community Governors may be sought from governors, staff, parents/guardians of pupils at the school and from those in the local community. The nominee must be from the community served by the school. All nominees (Parent or Community) must be committed to the good governance and success of the school.

Where possible, governors are recruited on the skills that they will bring to the governing body based on a proposal to the governing body or based on a proposal to the governing body by representative groups.

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

All new governors will meet with the Headteacher, receive a tour of the school and the chance to meet with the staff and pupils. New governors will be allocated an existing governor who will act as a mentor. All governors are provided with copies of policies, procedures, minutes, financial statements and budgets, plans and other documents that they will need to undertake their role.

During the year, governors are offered to attend a variety of training courses, network meetings and conferences, organised by various bodies, in order to ensure that their knowledge and understanding is fully up to date.

#### ***Organisational structure***

The governors are responsible for setting and monitoring the overall strategic direction of the academy trust, approving decisions reserved to governors and appointing key members of staff. The governing body allows for a minimum of 6 Community Governors, 2 Parent Governors and 2 staff Governors (excluding the Headteacher), 1 Headteacher.

The governors meet as a whole body at least three times each year. All decisions reserved to the governors are taken by whole governing body. Governing body sub committees meet at least three times each year to consider detailed matters and recommend decisions to the full governing body. There are two such sub committees: i) Resources (incorporating the Audit Committee responsibilities); and ii) Curriculum.

Additionally, ad hoc groups of governors are established to consider specific issues and make recommendations to the full Governing Body.

Details of the governing body structure, governor responsibilities and delegated powers are set out in the Governor Handbook.

The Headteacher is the Accounting Officer and works closely with both the other governors and the senior staff of RCPS.

The day-to-day management of RCPS rests with the Headteacher who has overall responsibility for the school. The Headteacher is responsible for establishing the Senior Leadership Team, including the School Business Manager and the Deputy Head.

Rachael Langdale, Essex Finance Support, was the Responsible Officer and as such provided an oversight role in relation to the systems and processes of control and risk management that operate throughout RCPS.

## **Runwell Community Primary School Academy Trust**

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

#### ***Risk management***

The governors have assessed the major risks to which the Academy Trust is exposed. A formal review of the risk management process is undertaken on an annual basis to identify financial, operational, regulatory and reputational risks. In addition, such risks are considered at each meeting of the full governing body. The governors are satisfied that appropriate systems are in place to mitigate any exposure to major risks, and that these are kept under regular review by the senior management team and the governors. However, it is recognised that such systems can only provide reasonable but not absolute assurance that major risks have been managed adequately.

The key controls used by the Academy Trust to identify and manage risk include:

- formal agendas for all committee and board activity;
- terms of reference for all committees;
- comprehensive planning budgeting and management reporting;
- an established organisation structure and clear lines of reporting;
- formal written policies;
- monitoring;
- clear authorisation and approval levels;
- vetting procedures as required by law for the protection of the vulnerable; and
- use of professional services where applicable.

The measures used by the governors to manage financial risk are included in the separate Statement of Internal control.

The governors regularly assess the current key risks RCPS faces. These risks, and the measures in place to manage them, are set out in the Risk Register.

#### ***Connected organisations, including related party relationships***

The Academy Trust has no relationships to report other than what is included under the section below titled Relationships and Related Parties.

#### **Objectives and Activities**

The charitable objectives, for which the charitable company was established, are set down in its Articles of Association as follows:

(a) 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

(b) to promote, for the benefit of individuals living in Runwell and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

The principal activity of RCPS is currently to run a primary school in Runwell for boys and girls. In addition, RCPS holds the accreditation for the Thames Primary SCITT, a large teacher training organisation which is located at RCPS. The Thames Primary Consortium comprises of around 95 schools in Essex and the role of the SCITT is to train new teachers to work in the Basildon/ Wickford/ Southend/ Brentwood area. RCPS also works within the community, sharing resources with other schools and the wider community (see "Relationships with Related Parties" below).

## **Runwell Community Primary School Academy Trust**

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

#### **Public Benefit**

The governors have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this governors' annual report.

#### **Benefits & Beneficiaries:**

In accordance with its charitable objectives, RCPS strives to advance the education of the pupils attending the school. The charitable company's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the school. In addition the school aims to benefit the wider community by making available resources, including the school facilities.

#### **Governors' Assessment of Public Benefit:**

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the governors gather evidence of the success of RCPS's activities. This information is gained in a variety of ways, including through monitoring and regular reports at governing body meetings. Examples of such evidence are set out in the "Impact of Activities & Events and Assessment of Public Benefit" section below.

#### **Impact of Activities & Events and Assessment of Public Benefit**

As set out above, the principal activity of RCPS is to provide primary school education for children in Runwell and the surrounding area. The aim of RCPS, which is at the heart of all of its activities, is to be a school;

- where all pupils and staff are encouraged and enabled to reach their full potential in a safe, healthy, caring and stimulating environments;
- that promotes excellence and equality and has high expectations for all pupils and staff;
- where the teaching is of a consistently very high standard;
- that provides a rich, thematic curriculum, which is well planned and resources;
- that challenges pupils to develop knowledge, skills and aspiring attitudes so they can become confident, independent lifelong learners;
- which maintains very high standards of behaviour in a positive atmosphere;
- which develops mutual respect and tolerance;
- that promotes individual responsibility and accountability and which helps children to develop into thoughtful citizens; and
- that encourages parents to be actively involved in their child's education and the wider school community.

The school's achievements, as set out below, demonstrate the positive impact its activities have not only on its pupils but also on the wider community.



## Runwell Community Primary School Academy Trust

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

#### Strategic Report

##### Achievements and performance

For the previous six years, pupils' academic achievement at RCPS has been in line with or usually exceeded local, county and national averages. The following tables show end of Key Stage results in 2016 and also Phonics outcomes. We have also included the schools early release progress data. Please note; these are not comparable with previous data sets, due to a different system of assessment being introduced at the end of both key stages in 2016. However, the school is still performing well, and at the end of KS2, the schools performance places us within the top quartile of schools nationally for standards at the end of the primary phase.

Phonics data has fluctuated historically due to both cohort context and changes in the way in which reading and phonological awareness is taught; however we are pleased to report an improving trend for this measure.

Progress measures were difficult to calculate in 2016 due to the changes in assessment systems, but there was a national formula applied which calculated each child's individual progress score which then relates to the school average. It is widely recognised that this data set is a little unreliable due to the changes and we are informed that HMI and Ofsted will treat it with the caution it merits.

##### KS1

Performance at Key Stage 1 compared to Essex and England averages.

	School	Essex	England
<b>Eligible Pupils</b>	30	16,458	
<b>RWM</b>	63.3	63	60
<b>Reading</b>	73.3	77	74
<b>Writing</b>	70.0	68	66
<b>Maths</b>	66.7	74	73
<b>RWM</b>	10.0	11	9
<b>Reading</b>	23.3	28	24
<b>Writing</b>	20.0	16	13
<b>Maths</b>	20.0	21	18

## Runwell Community Primary School Academy Trust

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

#### Strategic Report

##### KS2

Performance at Key Stage 2 compared to Essex and England averages.

		Eligible pupils	School	Essex	England St. funded	All
	<b>Pupils</b>		30	15,256		
<b>RWM</b>		29	69.0	55	52	53
<b>Reading</b>		30	70.0	67	66	66
<b>Writing</b>	<b>% at least expected</b>	29	86.2	76	73	74
<b>Maths</b>		29	86.2	71	70	70
<b>GPS</b>		29	75.9	74	72	72
<b>RWM</b>		29	6.9	6	5	5
<b>Reading</b>		30	13.3	19	19	19
<b>Writing</b>	<b>% at higher standard</b>	29	31.0	18	14	15
<b>Maths</b>		29	17.2	17	17	17
<b>GPS</b>		29	37.9	23	22	23

## Runwell Community Primary School Academy Trust

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

#### Strategic Report

##### KS1-2

Expected KS1-2 progress compared to Essex and England averages.

<b>Expected KS1-2 Progress</b>		<b>School</b>	<b>Essex</b>
<b>Reading</b>	Eligible pupils	29	14,592
	Progress Score	-1.45	-0.22
	Lower confidence level	-3.73	-0.33
	Upper confidence level	0.83	-0.12
<b>Writing</b>	Eligible pupils	29	14668
	Progress Score	1.74	0.41
	Lower confidence level	-0.56	0.30
	Upper confidence level	4.04	0.51
<b>Maths</b>	Eligible pupils	29	14659
	Progress Score	-0.19	-0.04
	Lower confidence level	-2.13	-0.05
	Upper confidence level	1.75	0.12

##### Year 1 Phonics

Percentage of pupils working at the required level compared to Essex and England averages.

<b>Year 1 Phonics</b>	<b>School</b>			<b>Essex</b>			<b>England</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2014</b>	<b>2015</b>	<b>2016*</b>
Eligible Pupils	32	31	33	16,275	16,308	16,761	639,928	638,415	
% working at the required level	59.4	67.7	84.8	74	77	81	74	77	81

\* yet to be formally published. Data reflects emerging averages from NEXUS.

## Runwell Community Primary School Academy Trust

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

#### Strategic Report

##### OFSTED

OFSTED reviews the success of the school and how it implements its plans for improvement. In March 2014 OFSTED inspected the school and made the following judgements:

<b>Overall effectiveness</b>	<b>Good</b>	<b>2</b>
Achievement of pupils	Good	2
Quality of teaching	Good	2
Behaviour and safety of pupils	Outstanding	1
Leadership and management	Good	2

They also made the following comments:

- Pupils achieve well during their time in this school in an exceptionally caring and welcoming environment.
- Standards at the end of Years 2 and 6 are above average. The teaching of reading is particularly good.
- The Headteacher provides inspirational leadership and a clear sense of direction. His drive and determination ensure that this school continues to be successful.
- Behaviour and attitudes to learning are outstanding. Pupils enjoy school where they feel safe and extremely well cared for. Parents hold the school in high regard.
- Leaders and managers have high expectations of the staff and the pupils. All staff are focused on making sure all pupils can succeed. They are supported well by an effective governing body.
- Teachers provide interesting and engaging lessons which motivate and encourage pupils to learn.
- The organisation and teaching of subjects through topics is stimulating and has a clear focus on literacy and numeracy.
- Pupils are provided with interesting experiences which are well tuned to meet their wide range of needs.
- Pupils' spiritual, moral, social and cultural development is exceptional.

In addition to its academic success, the school has also achieved the following awards in recent years:



## **Runwell Community Primary School Academy Trust**

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

#### **Strategic Report**

##### *Relationships with Related Parties*

RCPS works with the local and wider community in a number of ways, including:

- **Wickford Extended services**

Wickford is one of the leading areas in the county for the provision of after school, weekend and holiday services to the school children of Wickford. The Extended Schools Co-ordinator, Rachel Voller, organises a wide range of activities for children and facilitates access to an even wider range of services for parents to support them in bringing up their children. The service is based in the Wickford Collaborative Learning Centre, which is also used for the collaborative curriculum run throughout the year by the schools in Wickford. RCPS provides funding from its delegated budget to support this service and offers reduced rates when Extended Services want to use the school facilities to run courses for children.

- **Chelmsford Consortium**

RCPS is part of this consortium. It is a group of more than 20 schools, most of which are based in Chelmsford, that work together to further the education provided in the member schools. RCPS receives training and support for school development, plus the consortium provides specialist academy financial support (including the Responsible Officer) to RCPS's Finance Manager.

- **Lettings**

A variety of external clubs that serve the local community also use the school facilities. These include: Rock Choir, Taoist Tai Chi, Seitou Ryu Karate, Gymnastics, Sport 4 Fun.

- **Links with Parish Council**

The Parish Council now has a link to the school through a member who is also an RCPS governor. The school fund raised towards a new bench, which has been installed in Runwell park. This link enables pupils to be aware of local historical and present village issues, for example, the unveiling of the new village sign.

- **Other**

The school is involved in many community events throughout the year. For example, every year the school provides harvest boxes for the local community and beyond. At harvest time the children bring in food donations, which are packed into boxes and delivered by the children to vulnerable people in the local community. For the last two years the school has also collected food for the charity Harvest for the Hungry. This food is packed and delivered to poor countries in East Europe. The school choir performs at different events within the local community and the school has a close relationship with the local Parish vicar (who regularly holds assemblies in

the school). A Summer fete and Christmas bazaar are held annually that the whole community is invited to attend. There have also been coffee mornings for charity. The school recently has introduced curriculum events that focus on community engagement, for example our 'Fair Trade' cafes, which are well received and attended.

##### *Going concern*

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

## **Runwell Community Primary School Academy Trust**

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

#### **Strategic Report**

##### **Financial review**

###### **Financial Outcome of Activities & Events:**

The school's accounting period was from 1st September 2015 to 31st August 2016. The operations of the school as an academy began on 1st August 2011. Most of the school's income comes directly from the Education Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EPA during the period ending 31st August 2016 and associated expenditure are shown as restricted funds in the financial statements.

The academy received Pupil Premium grants totalling £44,143 and a Sports Grant of £8,900 which were spent in accordance with DfE guidelines.

Details of these grants and associated expenditure are also shown as restricted funds in the financial statements.

The school receives unrestricted funds in the form of lettings, catering income and other donations made to the school.

##### ***Reserves policy***

The governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The governors intend to review the reserves policy annually to ensure that this aim can be achieved.

At the balance sheet date, the charitable company had free reserves of £160,232 (2015: £134,496).

The governors intend to utilise some of these reserves in the near future to complete the infrastructure improvements to the school's premises that were in a poor state of repair when inherited from the local authority.

##### ***Investment policy***

The governors' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of the charitable company that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

During the first accounting period the charitable company's current policy was to hold all cash balances on a current account to ensure that the academy is able to meet its day to day cash flow requirements. This policy will continue to be regularly reviewed by the governing body.

## **Runwell Community Primary School Academy Trust**

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

#### **Strategic Report**

##### *Plans for future periods*

The School's Strategic Development Plan ("SDP") sets out the school's plans for the next three years. The SDP is created with a view to developing the overall effectiveness of the school, with particular regard to Leadership and Management, Teaching Learning and Assessment, Personal Development, Behaviour and Welfare and Premises and Learning Environment. We also have key drivers around Spiritual, Moral, Social and Cultural awareness (SMSC) and Basic Skills Development.

The key areas for development, as set out in the current SDP, are listed under key areas that are evaluated by Ofsted, as well as those that highlight a strong strategic direction for the school to take.

##### **Leadership and Management**

- To develop middle leadership roles
- To lead staff effectively in applying new assessment processes
- To develop the schools inclusion agenda and develop individual provision for vulnerable learners
- To explore options for opening a school based nursery
- To develop current provision in Early Years

##### **Teaching, Learning and Assessment**

- To continue to improve quality of teaching so that it is never less than good and a significant proportion is outstanding
- To work on individualised learning plans so that all children make at least expected progress
- To ensure that written and verbal feedback is developed and pupil progress accelerated
- To develop provision in maths to include greater opportunities for problem solving and developing fluency in mental strategies
- To develop the teaching of grammar, punctuation and spelling further to improve technical accuracy in writing across the school

##### **Personal Development, Behaviour and Wellbeing**

- To develop a school based nurture provision
- To more actively promote mental and physical wellbeing of children and staff
- To develop the use of pupil premium grant spending to further accelerate the progress of disadvantaged learners
- To maximise opportunities to place ourselves at the centre of the local community
- To develop further opportunities to enhance sense of national and global citizenship

##### **Premises and Learning Environment**

- To develop provision by becoming a Forest School
- To refurbish and extend school office area
- To further invest in ICT and Media technologies
- To develop strategic plan of maintenance for school and grounds
- To research and cost development of nursery provision
- To manage expansion of school

## Runwell Community Primary School Academy Trust

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

#### **Funds held as Custodian Trustee on behalf of others**

Although the charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors and other funders, RCPS does not hold, and the governors do not anticipate that it will in the future hold, any funds as custodian for any third party.

#### **Professional Indemnity Insurance**

In accordance with normal commercial practice, RCPS has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £2,000,000.

The cost of this insurance is included in the total insurance cost for the period 1 September 2015 to 31 August 2016.

#### **Auditor**

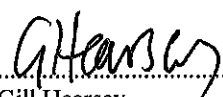
In so far as the Trustees are aware:

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

#### ***Reappointment of auditor***

Under section 487(2) of the Companies Act 2006 Edmund Carr LLP will be deemed to have been reappointed as auditor 28 days after these financial statements are sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 7 December 2016 and signed on its behalf by:

  
.....  
Gill Hearsey  
Governor



## Runwell Community Primary School Academy Trust

### Governance Statement

#### Scope of responsibility

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

The **Governing Body** has delegated the day-to-day responsibility to Sarah Louise Hoskyns-Staples, 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 Runwell Community Primary School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has met formally 7 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Suzanne Wright	7	7
Joanne Madders	5	7
Christine Creek	7	7
Graham Larke	1	3
Christopher Wyle	7	7
William Nelson	3	3
Sharon Brooks	5	7
Gill Hearsey	7	7
Andrew Hufton	7	7
Lisa Thompson	1	4
Sarah Louise Hoskyns-Staples	4	7
Lynn Barwell	7	7
Yvonne Waterhouse	3	4
Martin Cooper	0	1
Melissa Cookson	2	2

## Runwell Community Primary School Academy Trust

### Governance Statement (continued)

The **Resources Committee** is a sub-committee of the main Governing Body. Its purpose is to challenge all financial aspects of the school, approve expenditure as delegated through the Finance Regulations and ensure maintenance of the Estate and monitor compliance with all Health and Safety regulations. Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Suzanne Wright	1	3
Christine Creek	2	3
Christopher Wyle	3	3
William Nelson	1	1
Sharon Brooks	3	3
Gill Hearsey	3	3
Andrew Hufton	3	3
Lisa Thompson	1	2
Sarah Lousie Hoskyns- Staples	3	3

The **Curriculum Committee** is a sub-committee of the main Governing Body. Its purpose is to ensure that the school delivers a broad and balanced curriculum (including the provision of sex education); set targets for, and monitor, pupil achievement; monitor the implementation of the School Development Plan; ensure that the requirements of all pupils are met; and monitor the impact of Pupil Premium and Sports Premium funding. Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Suzanne Wright	3	3
Christine Creek	2	3
Graham Larke	1	2
Christopher Wyle	2	3
Gill Hearsey	2	3
Andrew Hufton	3	3
Lisa Thompson	2	2
Sarah Lousie Hoskyns- Staples	3	3
Lynn Barwell	2	3
William Nelson	1	1

## **Runwell Community Primary School Academy Trust**

### **Governance Statement (continued)**

#### **Review of value for money**

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Outsourcing our payroll to an external provider - The new payroll company provides concise, detailed reports which make the monthly tasks of processing payroll quicker and easier for the finance staff enabling them to concentrate on other tasks. This also reduces the chance of errors being made as any amendments to pay are being countersigned and then checked by the external provider.
- Offering online payments to parents - Parents now have option of paying for dinner money and school trips online using debit or credit cards. Although this package has an ongoing cost to the school, it has diminished the risk of errors, and possible fraud, within the school office as there is less cash on the premises. The online payment system reconciles all payments and allocates funds to pupils without the need for this to be done manually.
- Cancelling our subscription to the Schools Library Service - This was not being used to its full potential. The teaching staff are now collating their own artefact boxes to keep in school and reuse year on year without the need to pay for loans for the library service boxes.

#### **The purpose of the system of internal control**

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

#### **Capacity to handle risk**

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

#### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;

## Runwell Community Primary School Academy Trust

### Governance Statement (continued)

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

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed Rachael Langdale, EES for Schools as responsible officer (RO)

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

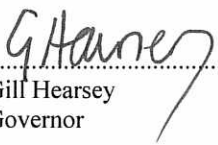
#### Review of effectiveness

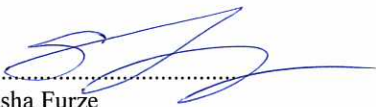
As Accounting Officer, Sarah Louise Hoskyns-Staples has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the Governing Body on 7 December 2016 and signed on its behalf by:

  
.....  
Gill Hearsey  
Governor

  
.....  
Sasha Furze  
Accounting officer  
Head Teacher

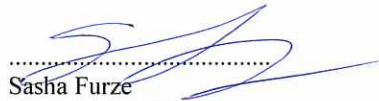
## **Runwell Community Primary School Academy Trust**

### **Statement on Regularity, Propriety and Compliance**

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

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

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

  
.....  
Sasha Furze  
Accounting officer

## Runwell Community Primary School Academy Trust

### Statement of Trustees' Responsibilities

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

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

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

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

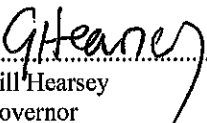
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have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

In so far as the trustees are aware:

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

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

Approved by order of the members of the Board on 7 December 2016 and signed on its behalf by:

  
.....  
Gill Hearsey  
Governor

## **Runwell Community Primary School Academy Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Runwell Community Primary School Academy Trust**

We have audited the financial statements of Runwell Community Primary School Academy Trust for the year ended 31 August 2016, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **Respective responsibilities of governors and auditors**

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 20), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

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

#### **Opinion on the financial statements**

In our opinion the financial statements:

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

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

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

## Runwell Community Primary School Academy Trust

### Independent Auditor's Report on the Financial Statements to the Members of Runwell Community Primary School Academy Trust (continued)

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

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

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



.....  
Stewart Martin (Senior Statutory Auditor)  
For and on behalf of Edmund Carr LLP, Statutory Auditor

146 New London Road  
Chelmsford  
Essex  
CM2 0AW

7 December 2016



## **Runwell Community Primary School Academy Trust**

### **Independent Reporting Accountant's Report on Regularity to Runwell Community Primary School Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 23 January 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Runwell Community Primary School Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

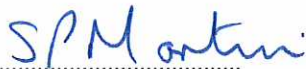
Summary of work undertaken, demonstrating application of the principles outlined in the ICAEW guidance (TECH 08/12AAF)

**Runwell Community Primary School Academy Trust**

**Independent Reporting Accountant's Report on Regularity to Runwell Community Primary School Academy Trust and the Education Funding Agency (continued)**

**Conclusion**

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



Stewart Martin

For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road  
Chelmsford  
Essex  
CM2 0AW

7 December 2016

## Runwell Community Primary School Academy Trust

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £ (As restated)
<b>Incoming resources</b>						
<i>Income and endowments from:</i>						
Donations and capital grants	2	-	16,309	539,293	555,602	27,835
Other trading activities	4	66,824	20,059	-	86,883	87,366
Investments	5	277	-	-	277	239
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	979,476	-	979,476	998,890
Total incoming resources		67,101	1,015,844	539,293	1,622,238	1,114,330
<b>Expenditure on:</b>						
<i>Charitable activities:</i>						
Academy trust educational operations	7	32,143	1,063,435	54,708	1,150,286	1,152,933
Net income/(expenditure)		34,958	(47,591)	484,585	471,952	(38,603)
Transfers between funds		(9,224)	9,224	-	-	-
Net income/(expenditure) for the year		25,734	(38,367)	484,585	471,952	(38,603)
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	22	-	(356,000)	-	(356,000)	(1,000)
Net movement in funds/(deficit)		25,734	(394,367)	484,585	115,952	(39,603)
<b>Reconciliation of funds</b>						
Funds/(deficit) brought forward at 1 September 2015		134,496	(407,633)	1,481,074	1,207,937	1,247,540
Funds/(deficit) carried forward at 31 August 2016		160,230	(802,000)	1,965,659	1,323,889	1,207,937

## Runwell Community Primary School Academy Trust

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2015 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	2,562	6,273	19,000	27,835
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	998,890	-	998,890
Other trading activities	4	67,282	20,084	-	87,366
Investments	5	239	-	-	239
<b>Total</b>		<b>70,083</b>	<b>1,025,247</b>	<b>19,000</b>	<b>1,114,330</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	34,571	1,050,761	67,601	1,152,933
Net income/(expenditure)		35,512	(25,514)	(48,601)	(38,603)
Transfers between funds		(6,460)	-	6,460	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	(1,000)	-	(1,000)
Net movement in funds/(deficit)		29,052	(26,514)	(42,141)	(39,603)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2014		105,442	(381,117)	1,523,215	1,247,540
Total funds/(deficit) carried forward at 31 August 2015		134,494	(407,631)	1,481,074	1,207,937

## Runwell Community Primary School Academy Trust

(Registration number: 07673903)  
Balance Sheet as at 31 August 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11	1,952,253	1,481,074
<b>Current assets</b>			
Stocks	12	4,484	4,237
Debtors	13	53,680	21,960
Cash at bank and in hand		246,084	246,006
		<u>304,248</u>	<u>272,203</u>
Creditors: Amounts falling due within one year	14	<u>(130,610)</u>	<u>(106,338)</u>
Net current assets		<u>173,638</u>	<u>165,865</u>
Total assets less current liabilities		<u>2,125,891</u>	<u>1,646,939</u>
Net assets excluding pension liability		2,125,891	1,646,939
Pension scheme liability	22	<u>(802,000)</u>	<u>(439,000)</u>
Net assets including pension liability		<u>1,323,891</u>	<u>1,207,939</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		-	31,369
Restricted fixed asset fund		1,965,659	1,481,074
Restricted pension fund		<u>(802,000)</u>	<u>(439,000)</u>
		1,163,659	1,073,443
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>160,232</u>	<u>134,496</u>
Total funds		<u>1,323,891</u>	<u>1,207,939</u>

The financial statements on pages 25 to 47 were approved by the Trustees, and authorised for issue on 7 December 2016 and signed on their behalf by:

  
.....  
Gill Hearsey  
Governor

## Runwell Community Primary School Academy Trust

### Statement of Cash Flows for the Year Ended 31 August 2016

	Note	2016 £	(As restated) 2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	500,356	39,187
Cash flows from investing activities	18	<u>(500,278)</u>	<u>12,900</u>
Change in cash and cash equivalents in the year		78	52,087
Cash and cash equivalents at 1 September		<u>246,006</u>	<u>193,919</u>
Cash and cash equivalents at 31 August	19	<u><u>246,084</u></u>	<u><u>246,006</u></u>

# **Runwell Community Primary School Academy Trust**

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

### **1 Accounting policies**

#### **Statement of accounting policies**

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

#### **Basis of preparation**

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

Runwell Community Primary School Academy Trust meets the definition of a public benefit entity under FRS 102.

#### **Going concern**

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

#### **Income**

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

#### **Grants**

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

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

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

## **Runwell Community Primary School Academy Trust**

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

#### **1 Accounting policies (continued)**

##### ***Other income***

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

##### ***Interest Receivable***

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

##### ***Fund Accounting***

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

Restricted general funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and the Department for Education.

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

##### ***Expenditure***

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

All resources expended are inclusive of irrecoverable VAT.

##### ***Expenditure on raising funds***

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

##### ***Charitable activities***

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



# Runwell Community Primary School Academy Trust

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

### 1 Accounting policies (continued)

#### Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Long leasehold land	Over the life of the lease
Long leasehold buildings	Over 15 - 45 years
Fixtures, fittings and equipment	25% straight line

#### Liabilities

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

#### Provisions

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

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

#### Leased assets

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

# **Runwell Community Primary School Academy Trust**

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

### **1 Accounting policies (continued)**

#### **Stock**

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value.

#### **Taxation**

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **Pension benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### **Critical accounting estimates and areas of judgement**

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

# Runwell Community Primary School Academy Trust

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

### 1 Accounting policies (continued)

#### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31/08/2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2 Voluntary income

	Restricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Capital grants	-	19,369	19,369	19,000
Other donations	16,309	519,924	536,233	8,835
	<u>16,309</u>	<u>539,293</u>	<u>555,602</u>	<u>27,835</u>

### 3 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2016 £	Total 2015 £
<b>DfE/EFA revenue grants</b>			
General Annual Grant (GAG)	793,335	793,335	820,007
Other DfE Grants	143,359	143,359	118,569
	<u>936,694</u>	<u>936,694</u>	<u>938,576</u>
<b>Other government grants</b>			
SEN Funding	38,573	38,573	49,774
Other local authority funds	4,209	4,209	10,540
	<u>42,782</u>	<u>42,782</u>	<u>60,314</u>
Total grants	<u>979,476</u>	<u>979,476</u>	<u>998,890</u>

**Runwell Community Primary School Academy Trust**

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

**4 Activities for generating funds**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Hire of facilities	41,135	-	41,135	39,554
Catering income	-	20,059	20,059	20,084
Trips and visits	14,626	-	14,626	17,021
Other sales	11,063	-	11,063	10,707
	<u>66,824</u>	<u>20,059</u>	<u>86,883</u>	<u>87,366</u>

**5 Investment income**

	<b>Unrestricted funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Short term deposits	<u>277</u>	<u>277</u>	<u>239</u>

**6 Resources expended**

	<b>Staff costs £</b>	<b>Premises £</b>	<b>Other costs £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
<b>Academy's educational operations</b>					
Direct costs	665,318	-	52,821	718,139	678,000
Allocated support costs	<u>201,427</u>	<u>131,962</u>	<u>98,758</u>	<u>432,147</u>	<u>474,933</u>
	<u>866,745</u>	<u>131,962</u>	<u>151,579</u>	<u>1,150,286</u>	<u>1,152,933</u>
	<u>866,745</u>	<u>131,962</u>	<u>151,579</u>	<u>1,150,286</u>	<u>1,152,933</u>

**Net income/(expenditure) for the year includes:**

	<b>2016 £</b>	<b>2015 £</b>
Operating leases - plant and machinery	795	795
Audit - Edmund Carr LLP	5,500	5,750
Other services - Edmund Carr LLP	500	500
Depreciation	<u>48,745</u>	<u>48,480</u>

## Runwell Community Primary School Academy Trust

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

#### 7 Charitable activities

	Total 2016 £	Total 2015 £	
<b>Direct costs - educational operations</b>			
Teaching and educational support staff costs	665,318	638,784	
Educational supplies	42,239	21,987	
Staff development	10,519	14,561	
Educational consultancy	63	2,668	
	<u>718,139</u>	<u>678,000</u>	
<b>Support costs - educational operations</b>			
Support staff costs	194,427	189,509	
Defined benefit pension scheme obligation inherited	7,000	29,000	
Depreciation	48,745	48,480	
Maintenance of premises and equipment	42,592	48,753	
Cleaning	4,568	4,482	
Rent, rates and utilities	29,568	29,613	
Insurance	6,489	11,077	
Catering	24,123	22,668	
Other support costs	74,635	91,351	
	<u>432,147</u>	<u>474,933</u>	
Total direct and support costs	<u>1,150,286</u>	<u>1,152,933</u>	
	<b>Educational operations £</b>	<b>Total 2016 £</b>	<b>Total (As restated)2015 £</b>
<b>Analysis of support costs</b>			
Support staff costs	201,427	201,427	218,509
Depreciation	48,745	48,745	48,480
Premises costs	83,217	83,217	93,925
Other support costs	98,758	98,758	114,019
Total support costs	<u>432,147</u>	<u>432,147</u>	<u>474,933</u>

## Runwell Community Primary School Academy Trust

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

#### 8 Staff

##### Staff costs

	2016 £	2015 £
<b>Staff costs during the year were:</b>		
Wages and salaries	677,799	692,885
Social security costs	53,926	38,002
Pension costs	133,691	124,890
	<u>865,416</u>	<u>855,777</u>
Supply teacher costs	1,329	515
	<u>866,745</u>	<u>856,292</u>

##### Staff numbers

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

	2016 No	2015 No
<b>Charitable Activities</b>		
Teachers	11	10
Administration and support	16	18
	<u>27</u>	<u>28</u>

#### 9 Related party transactions - trustees' remuneration and expenses

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

## Runwell Community Primary School Academy Trust

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

#### 9 Related party transactions - trustees' remuneration and expenses (continued)

Remuneration: (2015 - £15,000 - £20,000)  
Employer's pension contributions: (2015 - £0 - £5,000)

Christine Creek (Deputy Headteacher):

Remuneration: £40,000 - £45,000 (2015 - £50,000 - £55,000)  
Employer's pension contributions: £5,000 - £10,000 (2015 - £5,000 - £10,000)

Joanne Madders (Finance Manager):

Remuneration: £15,000 - £20,000 (2015 - £15,000 - £20,000)  
Employer's pension contributions: £0 - £5,000 (2015 - £0 - £5,000)

Sarah Lousie Hoskyns- Staples (Headteacher & Accounting Officer):

Remuneration: £55,000 - £60,000 (2015 - £35,000 - £40,000)  
Employer's pension contributions: £5,000 - £10,000 (2015 - £5,000 - £10,000)

Lynn Barwell (Staff):

Remuneration: £10,000 - £15,000 (2015 - £10,000 - £15,000)  
Employer's pension contributions: £0 - £5,000 (2015 - £0 - £5,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £Nil (2015 - £43) were reimbursed or paid directly to 0 trustees (2015 - 2).

Total key management personnel remuneration in the year was as follows;

Gross pay £213,941

Employers pension contribution £35,151

Other related party transactions involving the trustees are set out in note 23.

#### 10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £162 (2015 - £272).

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

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

## Runwell Community Primary School Academy Trust

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

#### 11 Tangible fixed assets

The trust's transactions relating to land and buildings included:

- the acquisition of the freehold on Leasehold which was donated to the trust at a value of £519,924

	Leasehold land and buildings £	Furniture and equipment £	Assets under construction £	Total £
<b>Cost</b>				
At 1 September 2015	1,658,494	13,188	-	1,671,682
Additions	-	-	519,924	519,924
At 31 August 2016	<u>1,658,494</u>	<u>13,188</u>	<u>519,924</u>	<u>2,191,606</u>
<b>Depreciation</b>				
At 1 September 2015	185,578	5,030	-	190,608
Charge for the year	45,448	3,297	-	48,745
At 31 August 2016	<u>231,026</u>	<u>8,327</u>	<u>-</u>	<u>239,353</u>
<b>Net book value</b>				
At 31 August 2016	<u>1,427,468</u>	<u>4,861</u>	<u>519,924</u>	<u>1,952,253</u>
At 31 August 2015	<u>1,472,916</u>	<u>8,158</u>	<u>-</u>	<u>1,481,074</u>

#### 12 Stock

	2016 £	2015 £
Classroom stock	<u>4,484</u>	<u>4,237</u>

#### 13 Debtors

	2016 £	2015 £
Trade debtors	27,493	4,443
Prepayments and accrued income	24,971	15,784
VAT recoverable	484	599
Other debtors	732	1,134
	<u>53,680</u>	<u>21,960</u>



## Runwell Community Primary School Academy Trust

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

#### 14 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	2,842	2,502
Other taxation and social security	31,555	-
Other creditors	4,800	5,091
Accruals and deferred income	12,877	14,543
Deferred income	78,536	84,202
	<u>130,610</u>	<u>106,338</u>
		2016
		£
<b>Deferred income</b>		
Deferred income at 1 September 2015		84,202
Resources deferred in the period		787
Amounts released from previous periods		<u>(6,453)</u>
Deferred income at 31 August 2016		<u>78,536</u>

£22,433 (2015: £18,864) is included in deferred income regarding free school meal funding for September onwards. There was £20,000 received regarding furniture for the new classrooms and an additional £33,835 received regarding a growth fund for the 2016/17 year.

## Runwell Community Primary School Academy Trust

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

#### 15 Funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	31,369	793,335	(833,929)	9,225	-
Other DfE grants	-	143,359	(143,359)	-	-
SEN Funding	-	38,573	(38,573)	-	-
Other local authority funds	-	4,209	(4,209)	-	-
	<u>31,369</u>	<u>979,476</u>	<u>(1,020,070)</u>	<u>9,225</u>	<u>-</u>
<b>Restricted fixed asset funds</b>					
Transfer from local authority on conversion	1,472,915	-	-	-	1,472,915
DfE/EFA capital grants	5,019	539,293	(54,708)	-	489,604
Private sector capital donations	3,140	-	-	-	3,140
	<u>1,481,074</u>	<u>539,293</u>	<u>(54,708)</u>	<u>-</u>	<u>1,965,659</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(439,000)</u>	<u>-</u>	<u>-</u>	<u>(363,000)</u>	<u>(802,000)</u>
Total restricted funds	1,073,443	1,518,769	(1,074,778)	(353,775)	1,163,659
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>134,496</u>	<u>67,105</u>	<u>(32,144)</u>	<u>(9,225)</u>	<u>160,232</u>
Total funds	<u>1,207,939</u>	<u>1,585,874</u>	<u>(1,106,922)</u>	<u>(363,000)</u>	<u>1,323,891</u>

#### 16 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	1,952,253	1,952,253
Current assets	157,784	133,058	13,406	304,248
Current liabilities	-	(130,610)	-	(130,610)
Total net assets	<u>157,784</u>	<u>2,448</u>	<u>1,965,659</u>	<u>2,125,891</u>

**Runwell Community Primary School Academy Trust**

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

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

	<b>2016</b>	<b>(As restated)</b>
	<b>£</b>	<b>2015</b>
		<b>£</b>
Net income/(expenditure)	471,952	(38,603)
Depreciation	48,745	48,480
Capital grants from DfE and other capital income	(19,369)	(19,000)
Interest receivable	(277)	(239)
Defined benefit pension scheme obligation inherited	7,000	29,000
Increase in stocks	(247)	(2,069)
(Increase)/decrease in debtors	(31,720)	7,948
Increase in creditors	<u>24,272</u>	<u>13,670</u>
Net cash provided by Operating Activities	<u>500,356</u>	<u>39,187</u>

**18 Cash flows from investing activities**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Dividends, interest and rents from investments	277	239
Purchase of tangible fixed assets	(519,924)	(6,339)
Capital funding received from sponsors and others	<u>19,369</u>	<u>19,000</u>
Net cash (used in)/provided by investing activities	<u>(500,278)</u>	<u>12,900</u>

**19 Analysis of changes in net funds**

	<b>At 31 August</b>	<b>At 31 August</b>
	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>246,084</u>	<u>246,006</u>
Total cash and cash equivalents	<u>246,084</u>	<u>246,006</u>

## Runwell Community Primary School Academy Trust

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

#### 20 Financial commitments

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

	2016 £	2015 £
Amounts due within one year	317	722
Amounts due between one and five years	171	181
	<u>488</u>	<u>903</u>

#### 21 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.

The current members of the charitable company are Suzanne Wright, Gill Hearsey, Andrew Hufton and Christopher Wyle.

#### 22 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year. Contributions amounting to £6,613.24 (2015: £0) were payable to the LGPS scheme and £9,102.79 (2015: £0) were payable to TPS schemes at 31 August 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.

## Runwell Community Primary School Academy Trust

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

#### 22 Pension and similar obligations (continued)

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

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from April 2019.

The pension costs paid to TPS in the period amounted to £72,443 (2015: £45,784).

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

Under the definitions set out in Financial Reporting Standards (FRS 17) Retirement Benefits, 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 the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £78,000 (2015 - £66,000), of which employer's contributions totalled £59,000 (2015 - £51,000) and employees' contributions totalled £19,000 (2015 - £15,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

## Runwell Community Primary School Academy Trust

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

#### 22 Pension and similar obligations (continued)

##### Principal actuarial assumptions

	At 31 August 2016 %	At 31 August 2015 %
Rate of increase in salaries	4.10	4.50
Rate of increase for pensions in payment/inflation	2.30	2.70
Discount rate for scheme liabilities	2.20	4.00
Inflation assumptions (CPI)	2.30	2.70
RPI increases	<u>3.20</u>	<u>3.60</u>

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

	At 31 August 2016	At 31 August 2015
<b>Retiring today</b>		
Males retiring today	22.90	22.80
Females retiring today	25.30	25.20
<b>Retiring in 20 years</b>		
Males retiring in 20 years	25.20	25.10
Females retiring in 20 years	<u>27.70</u>	<u>27.60</u>

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

	At 31 August 2016 £	At 31 August 2015 £
Equities	271,000	177,000
Gilts	14,000	11,000
Other bonds	18,000	26,000
Property	44,000	31,000
Cash	12,000	7,000
Other	<u>37,000</u>	<u>20,000</u>
Total market value of assets	396,000	272,000
Present value of scheme liabilities - funded	<u>(1,198,000)</u>	<u>(711,000)</u>
Deficit in the scheme	<u>(802,000)</u>	<u>(439,000)</u>

The actual return on scheme assets was £47,000 (2015 - £11,000).

## Runwell Community Primary School Academy Trust

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

#### 22 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost	84,000	66,000
Total operating charge	84,000	66,000

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

	2016 £	2015 £
At 1 September	711,000	604,000
Current service cost	84,000	66,000
Interest cost	29,000	25,000
Employee contributions	19,000	15,000
Actuarial losses	356,000	1,000
Benefits paid	(1,000)	-
At 31 August	1,198,000	711,000

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

	2016 £	2015 £
At 1 September	272,000	195,000
Interest income	12,000	9,000
Return on plan assets (excluding net interest on the net defined pension liability)	35,000	2,000
Employer contributions	59,000	51,000
Employee contributions	19,000	15,000
Benefits paid	(1,000)	-
At 31 August	396,000	272,000

#### 23 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

## **Runwell Community Primary School Academy Trust**

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

#### **23 Related party transactions (continued)**

During the year the academy made the following related party transactions:

##### **Kids Company**

(Owned by Sharon Brooks (a trustee of the trust))

The trust let the school's classroom and hall facilities to Kids Company for breakfast, after school and holiday clubs throughout the year to the value of £10,476.00 (2015: £8,803.50). At the balance sheet date the amount due to Kids Company was £Nil (2015 - £Nil).

##### **Maths No Problem**

(Royalties received by Headteacher)

The trust purchased 'Maths No Problem' educational supplies of £6,733.67 in the period. At the balance sheet date the amount due to Maths No Problem was £Nil (2015 - £Nil).

#### **24 Transition to FRS 102**

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

##### **Explanation of transition to FRS 102**

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

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



## Runwell Community Primary School Academy Trust

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

#### 24 Transition to FRS 102 (continued)

##### Reconciliation of total funds

	1 September 2014	31 August 2015
Note	£	£
Total funds under previous UK GAAP	<u>1,247,540</u>	<u>1,207,937</u>
Total funds reported under FRS 102	<u>1,247,540</u>	<u>1,207,937</u>

##### Reconciliation of net income/(expenditure)

	Note	Amount £
Net income/(expenditure) previously reported under UK GAAP		(37,603)
Change in recognition of LGPS interest cost		<u>(1,000)</u>
Net movement in funds reported under FRS 102		<u>(38,603)</u>

##### Change in recognition of LGPS interest cost

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

