

COPY FOR
COMPANIES HOUSE

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

MONDAY



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COMPANIES HOUSE

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

Rev.T Elbourne, Diocesan representative
Rev. C Davey, Incumbent
Rev. K King, PCC representative
Mrs T Ferguson, Chair of Trustees (resigned 28 September 2018)

Trustees

Mrs T Ferguson, Chair of Governors, PCC Foundation (resigned 28 September 2018)^{1,2,3,4,5}
Mrs E Jackson Gray, Chair of Governors appointed 18 October 2018, parent trustee^{1,2,3,4}
Mrs F Garrett, Vice Chair Community Trustee (resigned 20 July 2018)^{2,3,4}
Mr M Hawrylak, Principal and Accounting officer^{1,2,3,4}
Mrs J Hardison Taylor, Staff Trustee^{1,2,3}
Rev.C Davey, Incumbent (resigned 28 September 2018)¹
Mr N Eliot, Parent Trustee^{1,2,3,6}
Mrs C Henderson, PCC Foundation Trustee^{1,2,3,6}
Dr H Hollands, DBE Foundation Trustee (appointed 11 October 2017, resigned 28 September 2018)²
Mr M Ruston, DBE Foundation Trustee^{1,2,3,5}
Mr M Waine, DBE Foundation Trustee (resigned 28 September 2018)^{1,3,5}
Mrs D Welsman, Staff Trustee^{1,2,3}
Ms Z Bloom, DBE Foundation Trustee^{1,2,3,6}
Mr GWL Sargent, Trustee (appointed 18 July 2018)^{1,2,3,6}

- 1 Finance Committee
- 2 Curriculum & Standards/Pupil Related committee
- 3 People and premises Committee
- 4 Pay Committee
- 5 HT Performance management
- 6 Staff Appeals Committee

Company registered number

07769085

Company name

Stisted Church of England Primary Academy Trust

Registered office

The Street, Stisted, Braintree, Essex, CM77 8AN

Principal operating office

The Street, Stisted, Braintree, Essex, CM77 8AN

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Business Manager

Caroline Wilkinson

Senior management team

Mr M Hawrylak, Principal
Mr G Williams, Principal's Deputy
Mrs D Welsman, EFYS/KSI Co-ordinator
Mrs C Wilkinson, Business Manager

Independent auditors

Griffin Chapman, 4 & 5 The Cedars, Apex 12, Old Ipswich Road, Colchester, Essex, CO7 7QR

Bankers

Lloyds Bank PLC, 1 The Sanctuary, Westminster, London, SW1P 3JT

Solicitors

Lee Bolton Monier-Williams Solicitors, 1 The Sanctuary, Westminster, London, SW1P 3JT

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements of Stisted Church of England Primary Academy Trust for the 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

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 (FRS102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Stisted. It has a pupil capacity of 105 and had a roll of 108 in the school census of January 2018.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum of Association is the primary governing document of the Academy Trust.

The Trustees of Stisted Church of England Primary Academy Trust are also the directors of the charitable company for the purpose of company law.

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The Management of the Academy is the responsibility for the Trustees who are elected and co-opted under the terms of the Articles of Association. Three Trustees are nominated by the Parochial Church Council, four are nominated by the Diocesan Board of Education, two are elected by staff, two are elected by parents and one (Community Governor) elected by the Governing Body.

d. Policies and procedures adopted for the induction and training of Trustees

The Governing Body have adopted a policy for the induction and training of Trustees. All Trustees have access to a governor induction pack and are required to complete an online governor induction module.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

e. Organisational structure

The Governing Body has delegated the responsibilities to committees as outlined in each of the committee's terms of reference. These committees are Finance and Premises, Pay, Human Resources and Pupil Related.

The Principal has been designated the Accounting Officer and has the responsibility for the day to day management of the school and implementing school policies on behalf of the Governing Body.

f. Pay policy for key management personnel

The Governing Body has agreed to honour pay increases in line with the National Teachers' pay ranges, and with Essex County Council's support staff pay scales. Staff are entitled to any and each annual increase, subject to there being no problems with the individual's ability to satisfactorily carry out their duties.

g. Connected organisations, including related party relationships

Stisted Church of England Primary Academy Trust received donations amounting to £8,727 from the Trustees of FOSA (Friends of Stisted Academy, Registered Charity Number 1098486) to promote the education of pupils at the Academy.

Stisted Church of England Primary Academy Trust received donations from the Trustees of the Earls Colne and Halstead Educational Trust, Registered Charity Number 0310859, to promote the education of the pupils at the Academy.

Stisted Church of England Primary Academy Trust received donations from the Trustees of the Bishop Gauden Foundation, Registered Charity Number 310833, to provide music equipment to enhance the learning of the children.

Stisted Church of England Primary Academy Trust received a donation of £1,000, this being half, the proceeds from a Golf Day to support the provision of IT equipment.

Objectives and Activities

a. Objects and aims

The Academy Trust was set up in October 2011 to advance the education of pupils at Stisted Church of England Primary Academy and maintain the school's vision statement.

The Academy Trust aims to provide the children who attend Stisted Church of England Primary Academy with the best all-round education within a caring Christian family environment, recognising and responding to the different starting points, personalities and talents of all the children so that they become responsible confident learners and thoughtful members of society.

b. Objectives, strategies and activities

- To offer all children equal access to the National Curriculum, and in particular Mathematics, English, Science, ICT and RE
- To offer all children a differentiated curriculum which is both challenging and motivating; and
- To foster a sense of belonging, where all may feel valued and secure in a caring atmosphere based on

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Christian principles

- To provide a safe, secure and happy environment; and
- To instil value and appreciation of the world in which the children live
- To provide a 'People' orientated environment
- To encourage children to value the achievements of others
- To develop the children's ability to build effective relationships with adults and their peers
- To work in partnership with parents, teachers, Trustees and the wider community for the benefit of the school and children.

c. Public benefit

The Trustees of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit, published by the Charity Commission, in exercising their powers and duties. The key public benefit, delivered by Stisted Church of England Primary Academy, is to maintain and develop the high quality educational provision by the school for children in Stisted village and the surrounding areas.

Achievements and performance

Strategic report

a. Achievements and performance

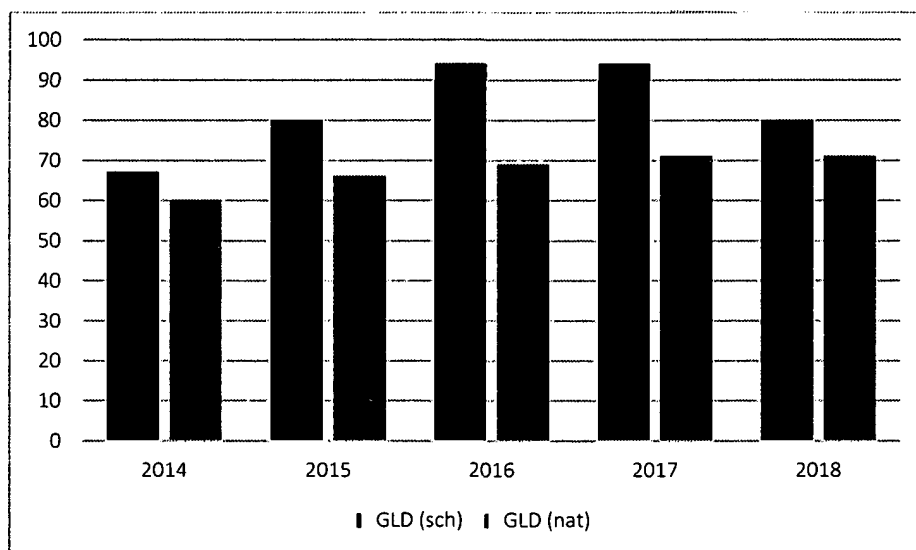
- The Academy achieved its third consecutive 'Outstanding' judgement in its Section 48 Statutory Inspection for Anglican and Methodist Schools in July 2018.
- Attainment in all three key stages remain above the national average.
- The academy has maintained pupil numbers during the academic year 2017-18 with 108 pupils on roll in the January census. This is 3 above capacity.
- The academy has a full complement of staff with no vacancies.
- The academy successfully achieved the objectives outlined in the school develop plan for the period 2017-18.
- The Academy operated at an overall loss this year and has put plans into place to ensure the Academy does not run at a loss during 2018/19.

The graphs included on the next pages shows that the standards attained by the pupils at Stisted Church of England Primary Academy Trust was higher than achieved nationally

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Early Years Foundation Stage 2018



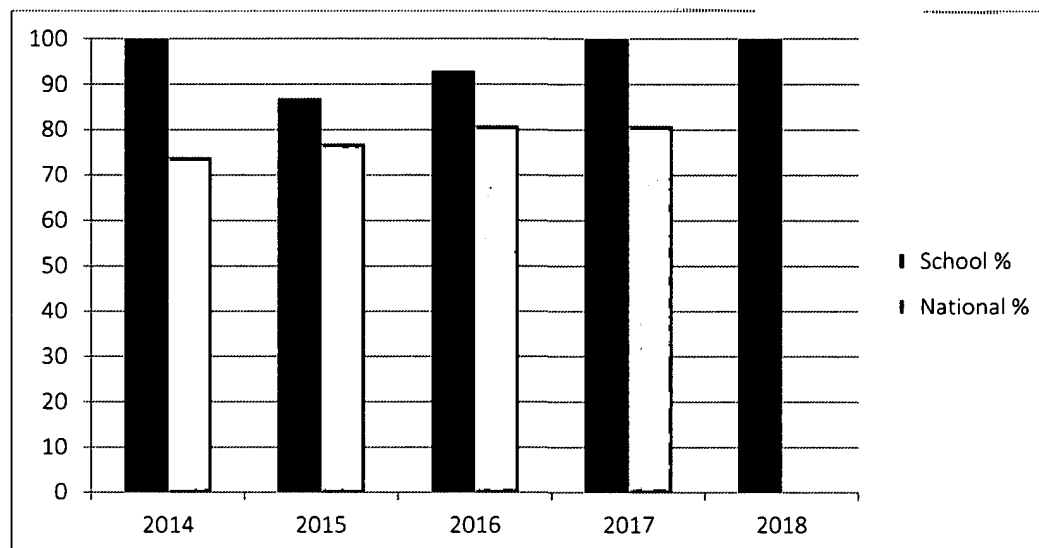
The data above shows the proportion of children at the end of the Reception year achieving a good level of development over the last 4 years relative to the proportion who achieve a similar standard nationally. Although the proportion achieving the expected standard is lower than in 2017, it remains above the national average.

Whilst the national rate is reasonably consistent, the Academy's results are more likely to fluctuate due to small cohort numbers. The variance from the previous year is cohort specific. The baseline data for this Reception class was lower than for the previous year because of a higher proportion of children with additional learning needs.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Year 1 Phonics 2018

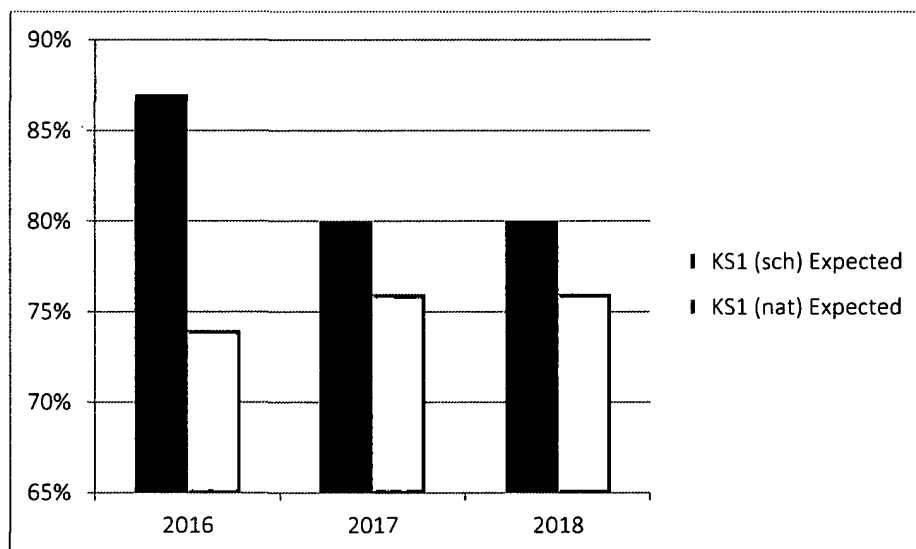


The data above shows the proportion of children at the end of Year 1 achieving a good level of development over the last 4 years relative to the proportion who achieve a similar standard nationally. The national data for 2018 was not available at the time of writing.

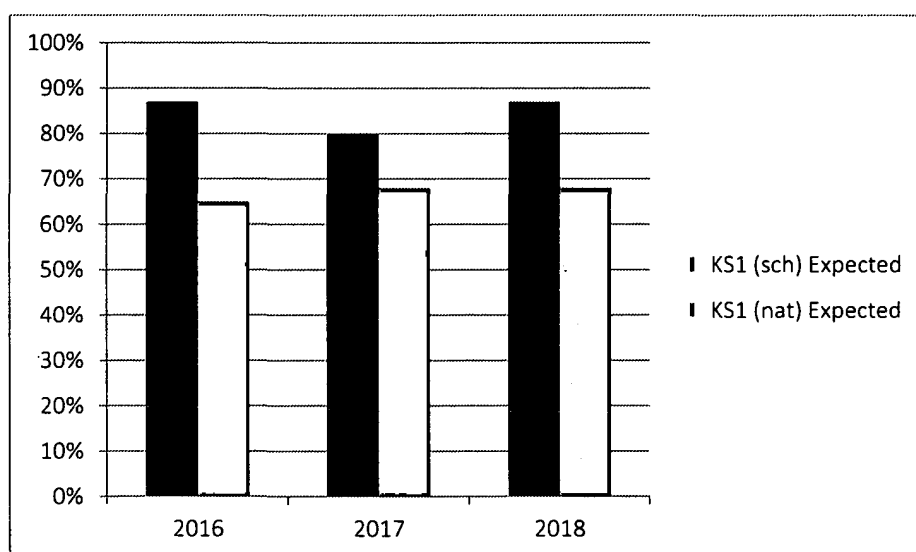
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Year 2 Reading 2018

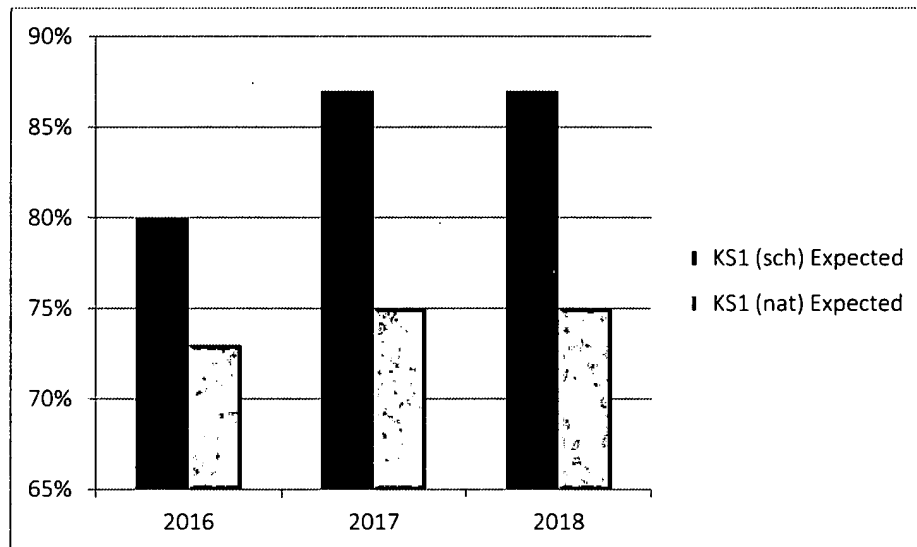


Year 2 Writing 2018



TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Year 2 Maths 2018

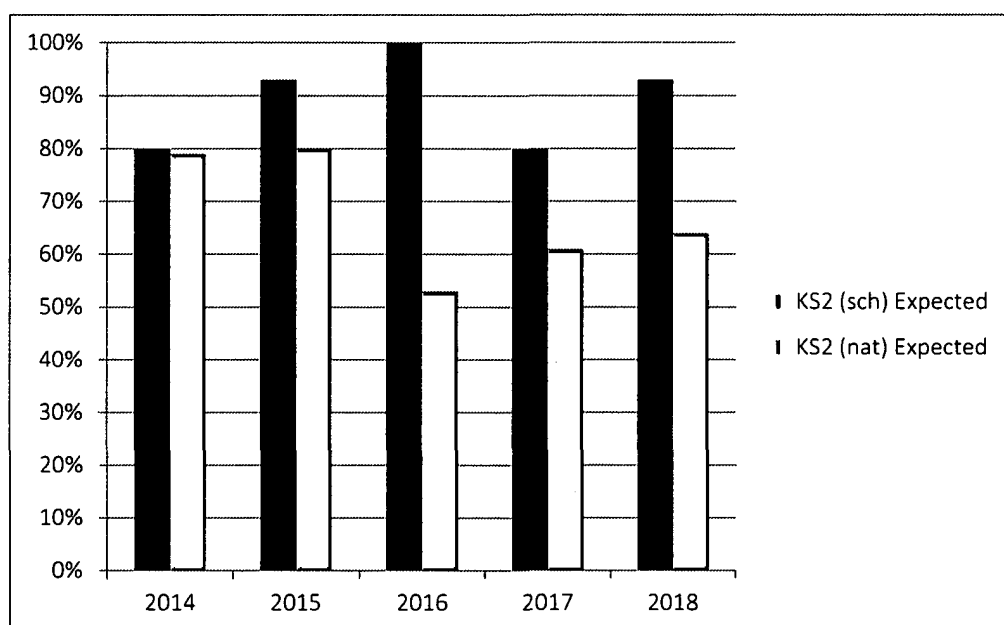


The data above shows the proportion of children at the end of Year 2 achieving the expected standard over the last 3 years relative to the proportion who achieve a similar standard nationally.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Year 6 Reading, Writing and Maths 2018



The data above shows the proportion of children at the end of Year 6 achieving the expected standard over the last 3 years in reading writing and maths. The data also shows the national rate for comparative purposes.

Other Key performance indicators:

The number of pupils on roll is consider a key performance indicator. The number on rolls indicates parental satisfaction and has a direct link to funding. The Published Admission number for each year group is 15 giving a total maximum school roll of 105 pupils. In certain circumstances, the School's Admission Code allows schools to exceed their Published Admission Number because some children qualify as 'excepted' pupils. Funding is allocated on the number of pupils on the school roll in the national Autumn school census. The number on roll in Autumn 2017 was 106 and increased through year. The pupil roll for Autumn 2018 was 109.

b. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

the going concern basis can be found in the Accounting Policies.

c. Fundraising activities

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured. The Academy Trust engages in limited direct fundraising activities other than seeking voluntary donations for school visits and occasional grants. The Academy receives donations from Friends of Stisted Academy, a registered charity.

d. Financial review

The financial position of the Academy is sound. The carry forward figure of £37,623 free reserves should enable the Academy to proceed with the planned budget for 2018/19.

In the past year, financial management has included a repayment of £10,000 advance funding from the ESFA and new computers for all children have been acquired on a leasing system. A policy has been adopted to maintain present staffing levels at the expense of a reduction in the amount of money carried forward into 2018/19. This will be increasingly difficult if funding for schools is not increased in the near future.

The principle sources of funding are:

- ESFA funding
- LA funding for children with Special Educational Needs
- Payment for school meals, including outsourcing to a local Nursery School
- Friends of Stisted Academy and other local charities.

a. Reserves policy

Under its Funding Agreement with the Secretary of State for Education, Stisted Church of England Primary Academy is allowed to hold reserves at the year end, as specified in paragraph 72 of the Funding Agreement.

The Trustees' Finance Committee has reviewed these reserve levels and believe that they should provide sufficient working capital to cover delays in spending and receipt of grants and to allow for unexpected situations such as urgent maintenance work. Under normal circumstances the Trustees would aim to maintain reserves of between 5% and 10% of GAG as an appropriate cushion. Based on the GAG for 2017/18 this falls between £23,810 and £47,621. The Academy has recognised it is increasingly likely that day to day financial commitments may trigger spending within the Reserves Policy which would call for the Finance Committee to be informed. Cash flow has been monitored on a monthly basis and the lowest cash flow recorded was at the end of June 2018 with a closing balance on the bank statement of £48,623.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

At 31 August the total funds comprised:

	£
Unrestricted funds	37,623
Restricted funds:	
Donation	3,771
Licence to occupy the land	72,944
Restricted fixed assets	169,715
Pension reserve	(398,000)
Funds carried forward	<u>(113,947)</u>

The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers scheme, separate assets are held to fund future liabilities as discussed in note 22. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds. Unrestricted funds are for use on the general purposes of the Academy, at the discretion of the Trustees. The aim of the Trustees is to increase this reserve to meet future working capital requirements.

b. Investments policy

Apart from the cash held for the operation of the school there are no realisable investments. However the Academy Trust has a current account with Lloyds on which the Academy Trust receives a small amount of interest.

c. Principal risks and uncertainties

The principal risks facing the Academy are:

Reputational risk – A decline in reputation is likely to lead to a decline in admissions and pupils and associated funding. This is mitigated by continued highly effective education and being a small village church school.

Performance risk – A decline in performance is likely to lead to a decline in admissions and pupils and associated funding. This is mitigated by continued high quality of expertise of the staff of the Academy Trust and the quality of leadership by the principal.

Financial Risk – The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs. The risks presented here are mitigated by continued popularity as a high performing school that is over subscribed. The financial is low because as a small school it is easier to manage and predict likely teacher costs.

The Academy Trust practices through its Board, namely the Governing Body and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Governing Body collectively, whilst more minor risks are dealt with by senior executive officers.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

a. Future developments

Stisted Primary Academy Trust will continue to strive to maintain and improve levels of achievement for all pupils whilst providing a high quality caring and nurturing environment.

Key priorities have been identified in the school's own self-assessment which has been used to form a School Development Plan. The priorities for the future include:

- Fully implement a revised RE curriculum that is underpinned by the Understanding Christianity produced by the Church of England in conjunction with RE Today.
- Create workable and manageable systems associated with the increasing number of SEN pupils.
- Maintain financial viability including reducing the loss of providing school meals by up to 80%.
- Develop working partnerships with other small church schools.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 27/11/18 and signed on its behalf by:


E Jackson Gray
Chair of Trustees

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

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

Governance

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

Trustee	Meetings attended	Out of a possible
Mrs T Ferguson, Chair of Governors	4	4
Mrs E Jackson Gray, Chair of Governors appointed 18 October 2018, parent trustee	4	4
Mrs F Garrett, Vice Chair Community Trustee	4	4
Mr M Hawrylak, Principal and Accounting officer	4	4
Mrs J Hardison Taylor, Staff Trustee	4	4
Rev.C Davey,Incumbent	4	4
Mr N Eliot, Parent Trustee	4	4
Mrs C Henderson, PCC Foundation Trustee	4	4
Dr H Hollands, DBE Foundation Trustee	3	3
Mr M Ruston, DBE Foundation Trustee	4	4
Mr M Waive, DBE Foundation Trustee	4	4
Mrs D Welsman, Staff Trustee	4	4
Ms Z Bloom, DBE Foundation Trustee	3	3
Mr GWL Sargent, Trustee	0	0

A formal governance review took place during March following a governor self-evaluation. Areas of strengths and weaknesses were identified and plans drawn up to balance out key skills to minimise and potential loss of skills due to retirement etc.

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor all financial matters of the Academy Trust and the upkeep of the premises.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Ruston	2	3
Mr M Hawrylak	3	3
J Hardison Taylor	2	3
Rev. C Davey	3	3
Mr M Waive	2	3
Mrs T Ferguson	3	3
E Jackson Gray	3	3

GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

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

-Ensuring all staff are subject to performance management, carry out their duties effectively and have opportunities for professional development upskilling.

-Administrative staff who complete orders and purchase equipment routinely compare prices from different suppliers to achieve value for money.

-Professional development opportunities have focused on making best use of expertise within the school.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Stisted Church of England Primary Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and 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.

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GOVERNANCE STATEMENT (continued)

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint as internal auditor.

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

testing of payroll systems
testing of the purchase systems
testing of control/bank reconciliations

On an annual basis, the auditor reports to the Board of Trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.


Review of Effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 27/11/18 and signed on their behalf, by:


E Jackson Gray
Chair of Trustees


M Hawrylak
Accounting Officer

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Stisted Church of England Primary Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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



M Hawrylak
Accounting Officer

27 November 2018

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 27/11/18 and signed on its behalf by:



E Jackson Gray
Chair of Trustees

STISTED CHURCH OF ENGLAND PRIMARY/ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST**

Opinion

We have audited the financial statements of Stisted Church of England Primary Academy Trust for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis of opinion

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

Conclusions relating to going concern

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

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

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST**

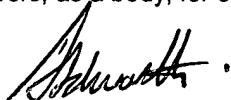
concern basis of accounting unless the Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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



Daniel Aldworth (Senior statutory auditor)

for and on behalf of

Griffin Chapman

Chartered Accountants
Statutory Auditors

4 & 5 The Cedars
Apex 12
Old Ipswich Road
Colchester
Essex
CO7 7QR
Date:

29 November 2018

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO STISTED
CHURCH OF ENGLAND PRIMARY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 25 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Stisted Church of England Primary Academy Trust during the year 1 September 2017 to 31 August 2018 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 Stisted Church of England Primary Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Stisted Church of England Primary Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Stisted Church of England Primary Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Stisted Church of England Primary Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Stisted Church of England Primary Academy Trust's funding agreement with the Secretary of State for Education dated 1 October 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO STISTED
CHURCH OF ENGLAND PRIMARY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING
AGENCY (continued)**

applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Daniel Aldworth

Griffin Chapman

Chartered Accountants
Statutory Auditors

4 & 5 The Cedars
Apex 12
Old Ipswich Road
Colchester
Essex
CO7 7QR

Date: 29 November 2018

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

		Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds Restated 2017 £
	Note					
Income from:						
Donations and capital grants	2	2,712	45,199	5,193	53,104	127,902
Charitable activities	3	26,455	586,378	-	612,833	658,911
Investments	4	53	-	-	53	91
Total income		29,220	631,577	5,193	665,990	786,904
Expenditure on:						
Charitable activities		61,047	676,806	10,668	748,521	753,299
Total expenditure	7	61,047	676,806	10,668	748,521	753,299
Net before other recognised gains and losses		(31,827)	(45,229)	(5,475)	(82,531)	33,605
Actuarial gains/(losses) on defined benefit pension schemes	22	-	51,000	-	51,000	(17,000)
Net movement in funds		(31,827)	5,771	(5,475)	(31,531)	16,605
Reconciliation of funds:						
Total funds brought forward		69,450	(400,000)	175,190	(155,360)	(99,021)
Prior year adjustment (Note 17)		-	72,944	-	72,944	-
Total funds carried forward		37,623	(321,285)	169,715	(113,947)	(82,416)

The notes on pages 27 to 48 form part of these financial statements.

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07769085

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	2017-Restated £
Fixed assets				
Tangible assets	13		169,715	175,190
Current assets				
Debtors	14	88,610		84,911
Cash at bank and in hand		63,836		98,727
		<u>152,446</u>		<u>183,638</u>
Creditors: amounts falling due within one year	15	<u>(38,108)</u>		<u>(39,584)</u>
Net current assets			<u>114,338</u>	<u>144,054</u>
Total assets less current liabilities			<u>284,053</u>	<u>319,244</u>
Creditors: amounts falling due after more than one year	16		<u>-</u>	<u>(1,660)</u>
Net assets excluding pension scheme liabilities			<u>284,053</u>	<u>317,584</u>
Defined benefit pension scheme liability	22	(398,000)	<u>(398,000)</u>	<u>(400,000)</u>
Net liabilities including pension scheme liabilities			<u>(113,947)</u>	<u>(82,416)</u>
Funds of the academy				
Restricted income funds:				
Restricted income funds	18	76,715		72,944
Pension reserve	18	(398,000)		(400,000)
Restricted fixed asset funds	18	<u>169,715</u>		<u>175,190</u>
Total restricted income funds			<u>(151,570)</u>	<u>(151,866)</u>
Unrestricted income funds	18		<u>37,623</u>	<u>69,450</u>
Total deficit			<u>(113,947)</u>	<u>(82,416)</u>

The financial statements on pages 24 to 48 were approved by the Trustees, and authorised for issue, on 27/11/18 and are signed on their behalf, by:


E Jackson Gray
Chair of Trustees

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(30,137)	61,305
Cash flows from investing activities:			
Dividends, interest and rents from investments		53	91
Adjustment to the treatment on occupying the land (Note 17)		-	(72,944)
Capital grants from DfE Group		5,193	5,215
Net cash provided by/(used in) investing activities		5,246	(67,638)
Cash flows from financing activities:			
Repayments of ESFA advance funding		(10,000)	(7,510)
Net cash used in financing activities		(10,000)	(7,510)
Change in cash and cash equivalents in the year		(34,891)	(13,843)
Cash and cash equivalents brought forward		98,727	112,570
Cash and cash equivalents carried forward	21	63,836	98,727

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Stisted Church of England Primary Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold property	- 50 years straight line
Furniture and fixtures	- 10 years straight line

1.6 Debtors

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

1.7 Cash at Bank and in hand

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

1.8 Liabilities and provisions

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

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

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

1.11 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities incorporating income and expenditure account over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities incorporating income and expenditure account as the related expenditure is incurred.

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.12 Pensions (continued)

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

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

1.13 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

STISTED CHURCH OF ENGLAND PRIMARY/ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 August 2018 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Any changes to the valuation of the property can be seen under note 13 to the accounts.

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds Restated 2017 £
Donations	2,712	45,199	-	47,911	122,687
Capital Grants	-	-	5,193	5,193	5,215
	<u>2,712</u>	<u>45,199</u>	<u>5,193</u>	<u>53,104</u>	<u>127,902</u>
<i>Total 2017</i>	<u>2,398</u>	<u>120,289</u>	<u>5,215</u>	<u>127,902</u>	

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds Restated 2017 £
Educational operations	26,455	586,378	612,833	658,911
<i>Total 2017</i>	<i>29,291</i>	<i>629,620</i>	<i>658,911</i>	

Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds Restated 2017 £
DfE/ESFA grants				
General annual Grant (GAG)	-	476,210	476,210	493,764
Pupil premium	-	13,200	13,200	14,190
Other DfE grants	-	36,874	36,874	28,689
Local authority grants	-	53,688	53,688	82,641
Other income	26,455	6,406	32,861	39,627
	26,455	586,378	612,833	658,911
Other government grants				
	-	-	-	-
Other funding				
	-	-	-	-
	26,455	586,378	612,833	658,911
<i>Total 2017</i>	<i>29,291</i>	<i>629,620</i>	<i>658,911</i>	

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds Restated 2017 £
Investment income - local cash	53	-	53	91
<i>Total 2017</i>	91	-	91	

5. Direct costs

	Educational operations £	Total 2018 £	Total 2017 £
Education supplies	10,500	10,500	12,360
Staff development	1,254	1,254	1,631
Other direct costs	7,845	7,845	11,550
Insurance	8,855	8,855	2,361
Security and transport	730	730	830
Catering	16,133	16,133	14,431
Wages and salaries	344,135	344,135	356,494
National insurance	30,006	30,006	29,957
Pension cost	54,406	54,406	50,884
	473,864	473,864	480,498
<i>Total 2017</i>	480,498	480,498	

STISTED CHURCH OF ENGLAND PRIMARY ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. Support costs

	Educational operations £	Total 2018 £	Total 2017 £
Pension finance cost	10,000	10,000	8,000
Education supplies	2,472	2,472	1,290
Staff support expenses	90	90	20,583
Maintenance of premises and equipment	6,229	6,229	14,465
Cleaning	3,541	3,541	2,354
Rent and rates	38,620	38,620	38,656
ICT	24,849	24,849	20,621
Utilities	8,438	8,438	9,069
Depreciation	5,475	5,475	5,475
Bank interest and charges	210	210	149
Other support costs	26,224	26,224	21,632
Wages and salaries	88,694	88,694	80,879
National insurance	5,327	5,327	4,690
Pension cost	54,488	54,488	44,938
	<u>274,657</u>	<u>274,657</u>	<u>272,801</u>
<i>Total 2017</i>	<u>272,801</u>	<u>272,801</u>	

During the year ended 31 August 2018, the academy incurred the following Governance costs: £9,850 (2017: £8,900) with respect to auditors remuneration and £645 (2016: £346) with respect to Governors statutory costs

£NIL (2017 - £NIL) included within the table above in respect of Educational operations.

£NIL (2017 - £NIL) included within the table above in respect of Expenditure on raising funds.

7. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational operations:					
Direct costs	428,547	-	45,317	473,864	480,498
Support costs	158,509	62,303	53,845	274,657	272,801
	<u>587,056</u>	<u>62,303</u>	<u>99,162</u>	<u>748,521</u>	<u>753,299</u>
<i>Total 2017</i>	<u>575,842</u>	<u>70,019</u>	<u>107,438</u>	<u>753,299</u>	

In 2018 £61,047 was from unrestricted funds (2017: £23,895), £10,668 (2017: £10,690) related to restricted fixed asset fund and £676,806 (2017: £6718,714) related to restricted funds.

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8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	5,475	5,475

9. Auditors' remuneration

	2018 £	2017 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	5,250	5,250
Fees payable to the academy's auditor and its associates in respect of:		
Non -audit services	4,600	3,650
All assurance services not included above	650	-

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10. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	432,829	437,373
Social security costs	35,333	34,647
Operating costs of defined benefit pension schemes	108,894	95,822
	<u>577,056</u>	<u>567,842</u>
Defined benefit pension scheme finance cost	10,000	8,000
	<u><u>587,056</u></u>	<u><u>575,842</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	6	5
Administration and support	19	19
Management	3	3
	<u>28</u>	<u>27</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1

d. Key management personnel

The Key Management Personnel of the Academy Trust comprise of the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by Key Management Personnel for their services to the Academy Trust was £191,035 (2017: £237,798)

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11. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
M Hawrylak, Headteacher and Accounting Officer	Remuneration	60,000-65,000	60,000-65,000
	Pension contributions paid	10,000-15,000	5,000-10,000
G Williams, Staff Trustee and Deputy Headteacher	Remuneration		45,000-50,000
	Pension contributions paid		5,000-10,000
J Hardison Taylor, Staff Trustee	Remuneration	40,000-45,000	35,000-40,000
	Pension contributions paid	5,000-10,000	5,000-10,000
D Welsman,	Remuneration	40,000-45,000	
	Pension contributions paid	5,000-10,000	

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

12. Trustees' and Officers' Insurance

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.

13. Tangible fixed assets

	Freehold property £	Furniture and fixtures £	Total £
Cost			
At 1 September 2017 and 31 August 2018	174,897	19,771	194,668
Depreciation			
At 1 September 2017	7,616	11,862	19,478
Charge for the year	3,498	1,977	5,475
At 31 August 2018	11,114	13,839	24,953
Net book value			
At 31 August 2018	163,783	5,932	169,715
At 31 August 2017	167,281	7,909	175,190

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets (continued)

The land and buildings which the school occupy are legally owned by the St Albans and the Chelmsford Church Trust. The School occupies these premises by a licence that transfers to the Academy no rights or control over the site, except that of occupying it at the will of the site Trustees under the terms of the relevant Site Trust. Historically the land and buildings have been included on the balance sheet at a valuation on conversion. This year and in accordance with the accounts direction the Trustees have considered the treatment of this asset and have concluded that this should be removed from the balance sheet. The 2017 accounts have been re-stated to reflect the change. The improvements to the property continue to be included and depreciated over 50 years. See note 17 for further explanation.

14. Debtors

	2018 £	2017 £
Due after more than one year		
Other debtors	36,472	36,472
Due within one year		
Trade debtors	-	1,834
Other debtors	36,472	36,472
Prepayments and accrued income	8,378	7,056
Tax recoverable	7,288	3,077
	<u>88,610</u>	<u>84,911</u>

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
ESFA advance funding	2,490	10,830
Trade creditors	3,582	3,415
Other taxation and social security	8,530	8,108
Other creditors	8,740	8,331
Accruals and deferred income	14,766	8,900
	<u>38,108</u>	<u>39,584</u>

16. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
ESFA advance funding	-	1,660

In 2016 the ESFA advanced £20,000 to the school to help fund the construction of the Lilac Room. This is being repaid over two years. £10,000 (2017 : £7,510) was repaid in the year to 31 August 2018. At the year end £2,490 remained outstanding to be repaid.

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17. Prior year adjustment

The Academy occupies the land (including buildings) which are owned by the St Albans and the Chelmsford Church Trust. The School occupies these premises by a licence that transfers to the Academy no rights or control over the site, except that of occupying it at the will of the site Trustees under the terms of the relevant Site Trust. The valuation of land and buildings included in the accounts reflects the economic benefit of occupying the land and buildings on license rather than legal form by its trustees who are the incumbent and churchwardens.

The Academy occupies the land (and buildings) under a licence to occupy. This continuing permission of their Trustees is pursuant to, and subject to the Trustees' charitable objects, and is part of the Church of England's contribution since 1833 to provide state funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the Academy Trust company for the time being, but does not vest any rights over the land in the Academy Trust Company. The Trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust less than two years notice to terminate the occupation of the land (including the buildings).

In light of the recent amendments to the accounts direction the Trustees of the academy have considered that the land and buildings included as a fixed asset on the balance sheet should be removed and a donation in kind and a rent expense of £36,472 should be included in the accounts each year which amounts to 1/50th of the insurance rebuild value and a value in use of £72,944 should be considered as being 2 times that value, this will be included in other debtors and shown as a separate restricted fund. The accounts for 2017 have been re-stated to reflect this change.

18. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Designated funds						
Catering fund	10,000	-	-	(10,000)	-	-
General funds						
General Fund -all funds	59,450	29,220	(61,047)	10,000	-	37,623
Total Unrestricted funds	69,450	29,220	(61,047)	-	-	37,623

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18. Statement of funds (continued)

Restricted funds-restated

General Annual Grant(GAG)	-	476,210	(476,210)	-	-	-
Other DfE/ESFA Grants	-	50,074	(50,074)	-	-	-
Local Authority Grants	-	53,688	(53,688)	-	-	-
Restricted donations	-	8,727	(4,956)	-	-	3,771
Other income	-	6,406	(6,406)	-	-	-
Right to occupy	72,944	36,472	(36,472)	-	-	72,944
Pension reserve	(400,000)	-	(49,000)	-	51,000	(398,000)
	<u>(327,056)</u>	<u>631,577</u>	<u>(676,806)</u>	<u>-</u>	<u>51,000</u>	<u>(321,285)</u>

Restricted fixed asset funds-restated

Restricted Fixed Asset Fund	175,190	5,193	(10,668)	-	-	169,715
Total restricted funds	<u>(151,866)</u>	<u>636,770</u>	<u>(687,474)</u>	<u>-</u>	<u>51,000</u>	<u>(151,570)</u>
Total of funds	<u><u>(82,416)</u></u>	<u><u>665,990</u></u>	<u><u>(748,521)</u></u>	<u><u>-</u></u>	<u><u>51,000</u></u>	<u><u>(113,947)</u></u>

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

The Unrestricted Funds have been created to recognise the income and expenditure in respect of activities undertaken by the Academy Trust, which fall outside the scope of core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy Trust via the Education Funding Agency by the Department of Education.

The Pupil Premium Fund has been established to recognise the restricted funding received from the Education Funding Agency to raise the attainment of disadvantaged pupils and to close the gap between them and their peers.

The other DfE/EFA Grants have been created to recognise the restricted funding received from the DfE/EFA that fall outside the scope of core funding.

The Local Authority revenue grants fund has been set up to recognise the income received from Essex County Council as a contribution towards the cost of Academy's Trust's revenue expenditure.

The restricted donations relates to money raised by The Friends of Stisted C of E Church of England Primary Academy Trust, who kindly donated the monies raised for the lease of the white boards for the classroom and other educational equipment. Of the £8,000 raised for the whiteboards, £3,771 has been carried forward into next year.

The Pension Reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy Trust Status, and through which all pension scheme movements are recognised.

The Fixed Assets Fund recognises the Net Book Value of the assets held by the Academy. Depreciation

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18. Statement of funds (continued)

of tangible fixed assets is allocated to this fund. A transfer has been made from Restricted General Fund to the Restricted Fixed Asset Fund

The DfE/EFA Capital Grants Fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As assets are purchased, a transfer will be made to the Restricted Fixed Asset Fund.

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2018. Note 2

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds						
Catering fund	-	-	-	10,000	-	10,000
General funds						
Other general funds	62,314	31,781	(23,895)	(10,750)	-	59,450
Restricted funds-restated						
General Annual Grant(GAG)	-	493,764	(466,764)	(27,000)	-	-
Pupil Premium	-	14,190	(14,190)	-	-	-
Other DfE/ESFA Grants	-	28,189	(28,189)	-	-	-
Local Authority Grants	-	82,641	(82,641)	-	-	-
Restricted donations	-	10,873	(10,873)	-	-	-
Other income	-	10,835	(11,585)	750	-	-
Licence to occupy	-	109,416	(36,472)	-	-	72,944
Pension reserve	(342,000)	-	(68,000)	27,000	(17,000)	(400,000)
	<u>(342,000)</u>	<u>749,908</u>	<u>(718,714)</u>	<u>750</u>	<u>(17,000)</u>	<u>(327,056)</u>
Restricted fixed asset funds-restated						
Restricted Fixed Asset Fund	180,665	5,215	(10,690)	-	-	175,190
Total of funds	<u>(99,021)</u>	<u>786,904</u>	<u>(753,299)</u>	<u>-</u>	<u>(17,000)</u>	<u>(82,416)</u>

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A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Other general funds	62,314	61,001	(84,942)	(750)	-	37,623
Restricted funds-restated						
General Annual Grant(GAG)	-	969,974	(942,974)	(27,000)	-	-
Pupil Premium	-	14,190	(14,190)	-	-	-
Other DfE/ESFA Grants	-	78,263	(78,263)	-	-	-
Local Authority Grants	-	136,329	(136,329)	-	-	-
Restricted donations	-	19,600	(15,829)	-	-	3,771
Other income	-	17,241	(17,991)	750	-	-
Licence to occupy	-	145,888	(72,944)	-	-	72,944
Pension reserve	(342,000)	-	(117,000)	27,000	34,000	(398,000)
	<u>(342,000)</u>	<u>1,381,485</u>	<u>(1,395,520)</u>	<u>750</u>	<u>34,000</u>	<u>(321,285)</u>
Restricted fixed asset funds-restated						
Restricted Fixed Asset Fund	180,665	10,408	(21,358)	-	-	169,715
	<u>(161,335)</u>	<u>1,391,893</u>	<u>(1,416,878)</u>	<u>750</u>	<u>34,000</u>	<u>(151,570)</u>
Total of funds	<u><u>(99,021)</u></u>	<u><u>1,452,894</u></u>	<u><u>(1,501,820)</u></u>	<u><u>-</u></u>	<u><u>34,000</u></u>	<u><u>(113,947)</u></u>

19. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	169,715	169,715
Debtors due after more than 1 year	-	36,472	-	36,472
Current assets	75,731	40,243	-	115,974
Creditors due within one year	(38,108)	-	-	(38,108)
Provisions for liabilities and charges	-	(398,000)	-	(398,000)
	<u>37,623</u>	<u>(321,285)</u>	<u>169,715</u>	<u>(113,947)</u>

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19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2017</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Tangible fixed assets	-	-	175,190	175,190
Debtors due after more than 1 year	-	36,472	-	36,472
Current assets	110,694	36,472	-	147,166
Creditors due within one year	(39,584)	-	-	(39,584)
Creditors due in more than one year	(1,660)	-	-	(1,660)
Provisions for liabilities and charges	-	(400,000)	-	(400,000)
	<u>69,450</u>	<u>(327,056)</u>	<u>175,190</u>	<u>(82,416)</u>

20. Reconciliation of net movement in funds to net cash flow from operating activities

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(82,531)	33,605
Adjustment for:		
Depreciation charges	5,475	5,475
Dividends, interest and rents from investments	(53)	(91)
(Increase)/decrease in debtors	(3,699)	360
Increase/(decrease) in creditors	6,864	(13,829)
Capital grants from DfE and other capital income	(5,193)	(5,215)
Defined benefit pension scheme cost less contributions payable	39,000	33,000
Defined benefit pension scheme finance cost	10,000	8,000
Net cash (used in)/provided by operating activities	<u>(30,137)</u>	<u>61,305</u>

21. Analysis of cash and cash equivalents

	<i>2018</i>	<i>2017</i>
	<i>£</i>	<i>£</i>
Cash in hand	63,836	98,727
Total	<u>63,836</u>	<u>98,727</u>

22. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for

**NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

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 Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2018.

Contributions amounting to £8,740 were payable to the schemes at 31 August 2018 (2017 - £8,365) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £39,333 (2017 - £38,664).

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

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22. Pension commitments (continued)

(www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £39,533 (2017 - £31,280), of which employer's contributions totalled £30,683 (2017 - £22,915) and employees' contributions totalled £8,850 (2017 - £8,365). The agreed contribution rates for future years are 17.1% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	607,000	497,000
Discount rate -0.1%	635,000	520,000
Mortality assumption - 1 year increase	648,000	532,000
Mortality assumption - 1 year decrease	595,000	486,000

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22. Pension commitments (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	141,000	71,000
Gilts	12,000	7,000
Corporate bonds	13,000	4,000
Property	20,000	10,000
Cash and other liquid assets	8,000	3,000
Derivatives	20,000	8,000
Alternative assets	9,000	5,000
Total market value of assets	<u>223,000</u>	<u>108,000</u>

The actual return on scheme assets was £10,000 (2017 - £22,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Interest cost	(10,000)	(8,000)
Service costs	(70,000)	(60,000)
Total	<u>(80,000)</u>	<u>(68,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	508,000	515,000
Current service costs	70,000	60,000
Interest cost	14,000	11,000
Employee contributions	9,000	8,000
Actuarial (gains)/losses	(45,000)	36,000
Benefits paid	65,000	(81,000)
Gains on curtailments	-	(41,000)
Closing defined benefit obligation	<u>621,000</u>	<u>508,000</u>

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22. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	108,000	173,000
Interest income	4,000	3,000
Return on assets less interest	6,000	19,000
Employer contributions	31,000	27,000
Employee contributions	9,000	8,000
Estimated benefits paid plus unfunded net of transfers in	65,000	(81,000)
Other actuarial gains and losses	-	(41,000)
Closing fair value of scheme assets	<u>223,000</u>	<u>108,000</u>

23. Operating lease commitments

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	11,603	12,377
Between 1 and 5 years	27,368	14,259
Total	<u>38,971</u>	<u>26,636</u>

24. 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.

25. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.