
LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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LEVERTON CHURCH OF ENGLAND ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	V Brelsford A Jee S Jones Diocese of Nottingham and Southwell Educational Trust
Governors	K Bacon, Staff Governor (resigned 18 November 2015) V Brelsford, Chair of Governors R Chadwick, Headteacher and Accounting Officer S Cook T Davies (resigned 12 February 2016) E Evans M Gallafent (appointed 12 October 2015) I Griffiths (appointed 19 October 2015) J Handley A Jee C Levy J Potts S Rickards (resigned 31 March 2016) H Turner M Vessey (appointed 19 October 2015)
Company Registered Number	07998451
Company Name	Leverton Church of England Academy
Principal and Registered Office	Main Street North Leverton Retford Nottinghamshire DN22 0AD
Senior Leadership Team	R Chadwick, Headteacher H Mitton, Deputy Headteacher J Bailey, SENCO / Early Years Leader
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor Tower House Lucy Tower Street Lincoln LN1 1XW
Bankers	Lloyds Bank plc 202 High Street Lincoln LN5 7AP

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
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Advisers (continued)

Solicitors	Nelsons Pennine House 8 Stanford Street Nottingham NG1 7BQ
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LEVERTON CHURCH OF ENGLAND ACADEMY
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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

The trust operates an academy for pupils aged 3 to 11 years serving a catchment area in the locality of North Leverton and surrounding villages. It has a pupil capacity of 105 and had a roll of 106 in the school census in October 2016.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors of Leverton Church of England Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Leverton C of E Academy.

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

Members' Liability

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

Governors' Indemnities

The academy trust maintains governors and officers liability insurance which gives appropriate cover for any legal action brought against its governors. The academy trust has also granted indemnities to each of its governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the governors or other officers may incur to third parties in the course of acting as governors or officers of the academy trust.

Method of Recruitment and Appointment or Election of Governors

Under the terms of its Articles: Subject to Articles 48-49 and 64, the academy trust shall have the following governors:

- up to 6 governors, appointed under Article 50 (members may appoint up to 6 governors);
- foundation governors, appointed and/or holding office further to Article 51;
- any staff governors, if appointed under Article 50A;
- a minimum of 2 parent governors appointed under Articles 53-58;
- the Headteacher;
- any additional governors, if appointed under Article 62, 62A or 68A; and
- any further governors, if appointed under Article 63 or Article 68A;

The members may appoint up to 14 governors save that there shall be no more than three employees of the academy (including the Headteacher) appointed as governors.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Governors are recruited as far as reasonably possible based on a skills set process to ensure that the governing body has the appropriate expertise to run the academy arust.

- Subject to Article 57, the parent governors shall be elected by parents of registered pupils at the academy. A parent governor must be a parent of a pupil at the academy at the time when he/she is elected.
- The governing body shall make all necessary arrangements for, and determine, all other matters relating to the election of parent governors, including any question of whether a person is a parent of a registered pupil at the academy. Any election of parent governors which is contested shall be held by secret ballot.
- The arrangements made for the election of a parent governor shall provide for every person who is entitled to a vote in the election to have an opportunity to do so by post, or if he prefers, by having his ballot paper returned to the Academy by a registered pupil at the academy.
- Where a vacancy for a parent governor is required to be filled by election, the governing body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, that he is entitled to stand as a candidate, and vote at the election and be given an opportunity to do so.

The number of parent governors required shall be made up by parent governors appointed by the governing body if the number of parents standing for election is less than the number of vacancies.

Governors are responsible for nominating co-optees' if and when a need is established. The governors may not co-opt an employee of the academy as a co-opted governor if the number of governors who are employed by the academy would thereby exceed three (including the Headteacher).

Vacancies are advertised on the SGOSS website, through the academy clerking services, on the school website or internally via parent post and in academy newsletters. Governors are elected for a four-year period, save that this time limit shall not apply to the Headteacher; subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Governors

- Object of Leverton C of E Academy.
- Induction for New Governors.
- Code of Conduct for New Governors.
- The Purpose and conduct of Governor Visits.
- Roles and Responsibilities of Governors.
- Governor Training Records.
- Governor Monitoring Records.
- Governors Handbook 2015 .

Organisational Structure

The organisational structure at Leverton C of E Academy consists of three levels: members board, governing body and the senior leadership team (including middle management personnel). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The members board steer the strategic direction of the academy and are responsible for appointing new governors and members to the board.

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

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The senior leadership team comprises the Headteacher, Deputy Headteacher and other key middle leaders within the school. These managers control the academy on a day-to-day basis, implementing the policies laid down by the governors and reporting back to them. They are responsible for the day to day operation of the academy, in particular organising the teaching staff, facilities and pupils. As a group the senior leadership team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for teaching staff and posts in the senior leadership team always contain at least one governor. Some spending control is devolved to members of the middle leadership team, with limits above which a member of the senior leadership team must countersign. The finance and general purposes committee work closely with the senior leadership team to drive the school development plan and report back to the governing body.

As a single academy trust, the Accounting Officer for Leverton C of E Academy is the Headteacher.

All delegated responsibilities are outlined fully in the Leverton C of E Academy Terms of Reference and Remit document. This document is reviewed and updated annually and includes:

- Whole Governing Body Remits.
- Organisation and Membership of the members board and governing body at Leverton C of E Academy.
- Link Trustee and Teacher Responsibilities.
- Curriculum, Pupils & Personnel Committee Terms of reference and Remit.
- Finance and General Purposes Committee Terms of reference and Remit.
- Strategic Development Committee Terms of reference and Remit.
- Complaints Committee.
- Pupil Discipline Committee.
- Headteacher Appraisal Governor Review.
- Admissions Panel.

Arrangements for Setting Pay and Remuneration of Management Personnel

The senior leadership team (SLT) undertakes the day-to-day management of the academy. Governors of the academy are also part of the management team although they receive no pay or other remuneration in respect of their role. Where employee governors are in place, they receive remuneration for their role as employees and not as governors. Their pay is determined in the same way as all other staff at the academy. Further details of remuneration paid to employees who are also governors are set out within the notes to the accounts.

Governors determine remuneration for the senior leader team through the pay committee. The pay committee receives reports on performance management of the Headteacher from the Headteachers' performance management governors, and in the case of other members of the senior leadership team, from the Headteacher. The pay committee makes decisions based upon reports, the position of senior staff within their pay bands and the wider impact of such decisions on the budget.

The pay of the Headteacher is set annually by the pay committee, having taken into account performance management against objectives set in the previous year. Pay for other SLT members is based on recommendation of the Headteacher through the performance management process.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Related Parties and Other Connected Charities and Organisations

Leverton Pre-school Playgroup operate on a daily basis from the premises of Leverton C of E Academy. The Playgroup is a registered charity run by a voluntary committee of parents and helpers to provide early-years care and education for pre-school infants from 2 years upwards. Academy FS2 personnel work closely with Playgroup staff to ensure a seamless transition of infants into the formal school environment. Leverton C of E Academy governing body and the Pre-school Playgroup Committee work closely to ensure best outcomes for all.

The academy works with, and is supported by, Leverton Academy PTA. The PTA is a charitable organisation run by volunteers and whose sole purpose is to raise funds for the advancement of education of pupils attending Leverton C of E Academy.

Objectives and Activities

Objects and Aims

The academy trust's object ("the object") is specifically restricted to the following:

- a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.
- b) to promote for the benefit of the inhabitants of Leverton and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

Key priorities:

Whole School Objective 1 -	to improve the attainment in mathematics across the academy;
Whole School Objective 2 -	to embed the new assessment and tracking systems to ensure good progress across the academy;
Whole School Objective 3 -	to develop the whole academy church distinctiveness and to improve the provision for collective worship;
Whole School Objective 4 -	to continue to embed the new curriculum; ensuring coverage, depth of learning and progress across all subjects;
Whole School Objective 5 -	to improve parental engagement and communication links
Literacy	to continue to improve the progress of literacy, ensuring the majority of children reach the expected standards by the end of KS1 and KS2.
EYFS	to implement the baseline assessment system and to continue to improve the outdoor provision.
SMSC	to ensure children have a knowledge and appreciation of fundamental values to prepare them for life in modern Britain
Performance Management	to implement performance management for admin / support staff.
Safeguarding	to continue to implement a robust system of checks, policy and procedures to ensure the safety of all children and staff.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

- Other Areas to Monitor:
- Attendance
 - Working with pre-school and building links
 - Develop links with wider stakeholders and the community.
 - Lunchtime provision
 - Staff CPD
 - School Website

Public Benefit

The governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission (on their website at Charities and Public Benefit) in exercising their powers or duties.

Leverton Church of England Academy is an academy converter catering for children aged 4 to 11 years old and strives to promote and support the advancement of education within the villages of North and South Leverton and other surrounding villages. The academy provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. For example, the academy works with:

- The local wildlife centre to provide curriculum and after-school opportunities for the children.
- The family of schools to offer children the opportunity to participate in a range of sports sessions and competitions.
- The local church group to develop music within the community through participation in singing events etc.
- Community support from local business - harvest festival.

Wherever possible the school also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example:

- Councillor Burton holds regular surgery sessions.
- The PTA, Pre-school Playgroup and Sure Start staff use the school to hold a range of sessions for their children and families.

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit. The governors believe that the academy trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

Achievements and Performance

The continued determination of the governing body and the senior leadership team working with staff and wider professionals has seen a significant improvement of standards across the academy. This has been confirmed by a judgement of 'Good' from Ofsted following inspection on 4 February. The governors are keen to ensure that the academy continues on its journey of improvement, in order to ensure high standards of education and wider support to local children, their families and wider the community.

The academy has seen a steady increase in pupil admissions over the course of this year; the governors work to ensure that class sizes are appropriate and that the academy is staffed with the appropriate quantity, and importantly, with the professional skills required to maintain high standards of care and education of all who attend the setting. The governors continue to work with Leverton Pre-school Playgroup to improve and widen the scope of early-years delivery currently being provided within the locality.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Attainment 2015/16

EYFS - % of children achieving an overall good level of development:

2014/15 result	National Average	2015/16 result
79%	66%	76%

- This was a similar result to last year and the school's performance was 10% above the national average.

KS1 - % of children at the expected level:

	School Result	National Result
Reading	79%	71%
Writing	71%	65%
Maths	79%	73%

- This year's results are above the national average in all areas.
- The percentage of children achieving Greater Depth at the end of KS1 was also above the national level in all areas.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

KS2 Results 2016:

Subject	Attainment	School Result	National Average
Reading	Expected level	100%	66%
	Higher level	60%	19%
Writing	Expected level	100%	74%
	Higher level	60%	15%
Maths	Expected level	100%	70%
	Higher level	20%	17%
Grammar, punctuation & spelling	Expected level	80%	72%
	Higher level	20%	23%
Combined	Expected level	100%	53%
	Higher level	20%	5%

Progress

Subject	School Progress Score	National score
Reading	+7.96	0
Writing	+ 6.8	0
Maths	+4.9	0

The National score is set at 0, therefore a '+' score indicates how many scale score points above the National expectation the school achieved.

- The overall attainment at the end of KS2 rose significantly this year with all children achieving the expected standard. This was significantly above the national figure.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

In addition to this the children were given the opportunity to take part in a wide range of after school clubs including: athletics, netball, street dance, multi-sports, football, cooking, craft and science. These were all well attended by all age groups.

Children in upper KS2 were given the opportunity to participate in a three day residential visit to London supporting their understanding of British Values and contrasting localities. Lower KS2 visited York for 2 nights linked to their Vikings topic. Day trips have also taken place to support children's learning throughout the year to places such as Farm to Fork, local visits, Power Station, Retford Fire Station, Eden Camp & Alton Towers. The Year 3 children again took part in the five week Woodland workshop sessions to develop their understanding of the outdoor environment.

As an academy we have worked closely with the local church community through regular services and performances in church at Harvest, Remembrance Day, Christmas and Easter. The church also supports activities within school such as time travelling and messy church sessions.

The academy, with its School Council, also supported a range of charities over the past year through different fundraising events. We helped Children in Need, World Share, NSPCC, Christmas Child Appeal, local food bank and the Downs Syndrome charities.

Key Financial Performance Indicators

The governors consider that the following are key financial performance indicators for the academy trust:

- Pupils numbers (leading directly to the Education Funding Agency ("EFA") funding level); the academy currently has a full PAN of 15 in some years' groups. The academy monitors the prospective pupil numbers through close working with the Pre-school Playgroup and is confident that the numbers present a sustainable model for future admissions.
- Financial Stability - the academy will always try to match income with expenditure within the current year (set and manage a balanced budget), and will only carry forward reserves that it considers necessary (in line with the Reserves policy).
- The school meals service should be self-funding.
- Maintenance of a positive cash balance that never falls below the next month's cash expenditure commitments
- Maintenance of current assets that are at least twice the value of current liabilities (the Solvency Ratio)
- Income per pupil.
- That a clear audit trail for income from Pupil Premium and Sports Funding can be followed to demonstrate spend and links to outcomes in terms of progress and attainment.
- Ofsted inspection results.

The governors have been pleased that expectations for most of the key performance indicators listed have been successfully met during the period. The strategic committee look to create a sustainable business model where the budget underspend is no higher than the EFA recommended limit of 12%.

Going Concern

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

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GOVERNORS' REPORT (continued)
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Financial Review

Most of the academy's recurrent income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2016, total expenditure of £655,875 was greater than grant funding from the EFA together with other incoming resources. The excess of expenditure over income for the year (excluding actuarial losses) was £12,763.

At 31 August 2016, the net book value of fixed assets was £1,020,591 and movements in tangible fixed assets are shown in note 12 to the financial statements. During the year the assets were used exclusively for providing education and the associated support services to the pupils of the academy.

Reserves Policy

The governors review the reserve levels of the academy trust at both the finance and general purposes committee and full governing body level throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

Academies are expected to create reserves from their annual GAG funding. During the early years of operation GAG Funding levels will create little opportunity for Leverton Academy to achieve a surplus. Currently, the DfE provides minimal funding in the way of Devolved Formula Capital Grant but the academy trust is able to bid for a share of the Academies Capital Maintenance Fund as required.

The governors of Leverton C of Academy require a capital reserve to fund future capital expenditure.

The academy's reserves policy:

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

The governors identify:

- When reserves are drawn on, so that they understand the reasons for this and can consider what corrective action, if any, needs to be taken.
- When reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any, that need to be taken.
- When the reserves level is below target, and considers whether this is due to short-term circumstance, or longer term reasons which might trigger a broader review of finances and reserves.

The governors will always try to match income with expenditure within the current year (set and manage a balanced budget), and will only carry forward reserves that it considers necessary, having a clear plan for how it will be used to benefit the pupils.

The governors have determined that the appropriate level of free reserves should be equivalent to one month's payroll cost, approximately £30,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The academy will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the academy will strive to rebuild free reserves up to the level needed.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Investment Policy

Academies are expected to hold contingency reserves from their annual GAG funding or other income. The governors at Leverton C of E Academy require a revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments.

The policy of Leverton C of E Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the DfE.

Principal Risks and Uncertainties

Leverton C of E Academy Finance and General Purposes Committee complete a Risk Analysis Matrix termly in order to ensure compliance with the EFA Funding Agreement. The areas listed below are given consideration through the completion of this annual process.

Operational and reputational - this covers risks to the running of the academy (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.

Financial - covering risks to the academy trust's financial position, including revenue streams, cost control and cash management.

The risks to which the academy trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of staff pension schemes.

Plans for Future Periods

The governing body of the academy set key objectives in order to plan for future periods of operation.

A termly premises report is presented to the finance and general purposes committee by the academy site manager: two areas highlighted for immediate improvement by the governing body are the replacement of the flat roof to the main building of the academy and the provision of external fencing around the full perimeter of the school – especially to the rear of the academy.

The long term development for the academy includes enhancing the provision of areas now being used to underpin the school curriculum. These include:

- Developing links with the pre-school and extending the working links.
- Utilising the Sure Start building that is unoccupied to offer extended and community provision.
- Developing the outdoor areas / security of the academy site via new fencing and reception areas (CIF bid).

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GOVERNORS' REPORT (continued)
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Auditor

Insofar as the governors are aware:

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

The governors' report, incorporating a strategic report, was approved by order of the governing body, as the company directors, on 19 December 2016 and signed on the board's behalf by:



V Brelsford, Chair of Governors

LEVERTON CHURCH OF ENGLAND ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Statement of governors' responsibilities. The governing body has formally met 3 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
K Bacon, Staff Governor	0	0
V Brelsford, Chair of Governors	3	3
R Chadwick, Headteacher and Accounting Officer	3	3
S Cook	3	3
T Davies	0	1
E Evans	3	3
M Gallafent	0	0
I Griffiths	3	3
J Handley	2	3
A Jee	3	3
C Levy	3	3
J Potts	3	3
S Rickards	2	2
H Turner	3	3
M Vessey	3	3

The academic year 2015/2016 has proved a more stable and well balanced period for the academy than the previous two years. Whilst there has been challenge during the year, on the whole, the governing body see the year as a highly positive one for the academy, its staff and its pupils.

The governing body are pleased to report continued improvements across the academy. Following a lengthy and rigorous recruitment and selection process, the governors made the successful appointment of a new Headteacher to the academy in March 2016. Staff and pupil panels were included within the interview timetable and the governor panel was assisted throughout the recruitment process by the Diocese of Southwell and Nottingham, in addition to the academy's HR provider. The new Headteacher Miss Chadwick had previously carried out the role of Acting Headteacher to the academy and had moved the school forward substantially in that time. The governors are confident that they have appointed a person who is passionate about the school, the children and their education, and has the ability to lead on the academy's continued journey of improvement.

A long standing staffing matter was resolved during the Summer term following a former member of staff taking the Academy to employment tribunal. The Claimant withdrew their claim against the Academy and no financial compensation was awarded to the claimant.

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GOVERNANCE STATEMENT (continued)

Since conversion, the governing body have sought to fulfil its' roles and responsibilities by ensuring that newly appointed governors have the necessary skills and experience to enhance the working practices of the governing body and its committees. Additional governor training is encouraged and provided by external providers and through on-line services. The governors continue to plan for succession to secure the future functioning of the Academy Trustees Board.

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to determine, approve and monitor the school's budget, budgetary systems and allocation of resources, including pay, premises, health and safety, and security responsibilities. One of the Committee's responsibilities is routine budget setting and monitoring, as well as ensuring the school provides a safe educational environment.

This year the Finance and General Purposes Committee has overseen the working party responsible for negotiating external financial services to support the administrative system in the school.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
A Jee	4	4
R Chadwick, Headteacher and Accounting Officer	4	4
V Brelsford, Chair of Governors	4	4
S Rickards	2	2
S Cook	3	4
E Evans	4	4
C Levy	4	4

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher 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 governing body 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:

- Producing spending forecasts linked to the key priorities in the School Development Plan. This outlines at least 3 options for substantial spending and appraised the pros and cons of each option; ensuring best values in relation to pricing and effectiveness.
- Pupil Premium and Sports Funding has been more rigorously allocated and monitored; reviewing the impact of the spending and the benefits for the children.
- Termly external audit procedures ensure value for money is monitored and reported on.
- A review of all contracts has been carried out throughout the year to ensure value for money; ensuring best value and service.

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GOVERNANCE STATEMENT (continued)

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 Leverton Church of England Academy for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The governing body has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

THE RISK AND CONTROL FRAMEWORK

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

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

The governing body has considered the need for a specific internal audit function and has decided to appoint Schools and Academies Finance Limited ("SAAF") 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. On a termly basis, the internal auditor reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems including

- purchasing and payroll procedures; and
- control / bank account reconciliations.

LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

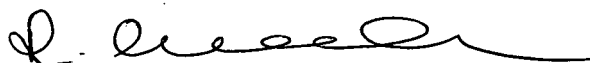
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and 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 governing body on 19 December 2016 and signed on their behalf, by:



V Brelsford, Chair of Governors



R Chadwick, Headteacher and Accounting Officer
Accounting Officer

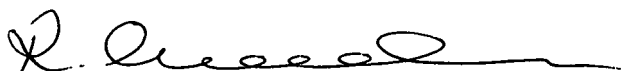
LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



R Chadwick
Accounting Officer

Date: 19 December 2016

LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The governors (who act as governors of Leverton Church of England Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

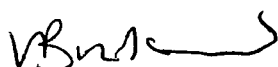
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the governing body on 19 December 2016 and signed on its behalf by:



V Brelsford, Chair of Governors

LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEVERTON CHURCH OF ENGLAND ACADEMY**

We have audited the financial statements of Leverton Church of England Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Statement of governors' responsibilities, the governors (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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEVERTON CHURCH OF ENGLAND ACADEMY**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW
20 December 2016

LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO LEVERTON
CHURCH OF ENGLAND ACADEMY AND THE EDUCATION FUNDING AGENCY**

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

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

**RESPECTIVE RESPONSIBILITIES OF LEVERTON CHURCH OF ENGLAND ACADEMY'S ACCOUNTING
OFFICER AND THE REPORTING AUDITORS**

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

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

APPROACH

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

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

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

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

Our audit work involved:

- a review of the academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering / quotation procedures had been followed in line with the academy finance policy; and
- a review of the related party relationships.

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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

20 December 2016

LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	2,906	-	4,900	7,806	5,050
Charitable activities	3	33,231	500,628	-	533,859	567,927
Other trading activities	4	101,366	-	-	101,366	22,722
Investments	5	81	-	-	81	97
TOTAL INCOME		137,584	500,628	4,900	643,112	595,796
EXPENDITURE ON:						
Charitable activities		109,218	507,627	39,030	655,875	695,555
TOTAL EXPENDITURE	6	109,218	507,627	39,030	655,875	695,555
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	15	28,366 1,242	(6,999) (1,469)	(34,130) 227	(12,763) -	(99,759) -
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		29,608	(8,468)	(33,903)	(12,763)	(99,759)
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(122,000)	-	(122,000)	5,000
NET MOVEMENT IN FUNDS		29,608	(130,468)	(33,903)	(134,763)	(94,759)
RECONCILIATION OF FUNDS:						
Total funds brought forward		44,339	(212,140)	1,054,494	886,693	981,452
TOTAL FUNDS CARRIED FORWARD		73,947	(342,608)	1,020,591	751,930	886,693

LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 07998451

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		1,020,591		1,054,494
CURRENT ASSETS					
Debtors	13	56,956		39,985	
Cash at bank and in hand		115,337		51,044	
		<u>172,293</u>		<u>91,029</u>	
CREDITORS: amounts falling due within one year	14	(81,954)		(43,830)	
NET CURRENT ASSETS			<u>90,339</u>		<u>47,199</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,110,930</u>		<u>1,101,693</u>
Defined benefit pension scheme liability	19		(359,000)		(215,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>751,930</u></u>		<u><u>886,693</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	15	16,392		2,860	
Restricted fixed asset funds	15	1,020,591		1,054,494	
Restricted funds excluding pension liability		<u>1,036,983</u>		<u>1,057,354</u>	
Pension reserve		<u>(359,000)</u>		<u>(215,000)</u>	
Total restricted funds			<u>677,983</u>		<u>842,354</u>
Unrestricted funds	15		<u>73,947</u>		<u>44,339</u>
TOTAL FUNDS			<u><u>751,930</u></u>		<u><u>886,693</u></u>

The financial statements were approved by the governors, and authorised for issue, on 19 December 2016 and are signed on their behalf, by:



V Brelsford, Chair of Governors

The notes on pages 27 to 45 form part of these financial statements.

LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	17	53,637	(56,640)
Cash flows from investing activities:			
Proceeds from the sale of tangible fixed assets		7,225	-
Purchase of tangible fixed assets		(1,469)	(11,207)
Capital grants from EFA and other sources		4,900	4,956
Net cash provided by/(used in) investing activities		10,656	(6,251)
Change in cash and cash equivalents in the year		64,293	(62,891)
Cash and cash equivalents brought forward		51,044	113,935
Cash and cash equivalents carried forward	18	115,337	51,044

LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Leverton Church of England Academy constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 23.

1.2 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 governors.

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

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

LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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 there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

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

All resources expended are inclusive of irrecoverable VAT.

LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The governors 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 governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £200 are capitalised.

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.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	straight line over 50 years
Motor vehicles	-	straight line over 4 years
Fixtures, fittings and equipment	-	straight line over 3 and 4 years

1.7 Interest receivable

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

1.8 Debtors

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

LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.9 Cash at Bank and in hand

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

1.10 Liabilities and provisions

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

1.11 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.12 Taxation

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

1.13 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

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 19, 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.

LEVERTON CHURCH OF ENGLAND ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (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.

1.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The academy 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.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairment. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

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 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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FOR THE YEAR ENDED 31 AUGUST 2016**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total 2016 £	Total 2015 £
Donations	2,906	-	-	2,906	94
Capital Grants	-	-	4,900	4,900	4,956
	<u>2,906</u>	<u>-</u>	<u>4,900</u>	<u>7,806</u>	<u>5,050</u>
Total donations and capital grants	2,906	-	4,900	7,806	5,050

In 2015, of the total income from donations and capital grants, £94 was to unrestricted funds and £4,956 was to restricted funds.

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total 2016 £	Total 2015 £
EFA Grants				
General Annual Grant (GAG)	-	423,233	423,233	454,227
Other EFA Grants	-	54,807	54,807	60,228
	<u>-</u>	<u>478,040</u>	<u>478,040</u>	<u>514,455</u>
Other Government Grants				
Local Authority Grants	-	22,588	22,588	27,913
	<u>-</u>	<u>22,588</u>	<u>22,588</u>	<u>27,913</u>
Other Funding				
Other Income	33,231	-	33,231	25,559
	<u>33,231</u>	<u>-</u>	<u>33,231</u>	<u>25,559</u>
	<u>33,231</u>	<u>500,628</u>	<u>533,859</u>	<u>567,927</u>

In 2015, of the total income from charitable activities, £25,559 was to unrestricted funds and £542,368 was to restricted funds.

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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total 2016 £	Total 2015 £
Lettings Income	11,071	-	11,071	10,014
Insurance Claims	82,685	-	82,685	12,275
Staff Consultancy	7,610	-	7,610	433
	<u>101,366</u>	<u>-</u>	<u>101,366</u>	<u>22,722</u>

In 2015, of the total income from other trading activities, £22,722 was to unrestricted funds and £nil was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank Interest	81	-	81	97
	<u>81</u>	<u>-</u>	<u>81</u>	<u>97</u>

In 2015, of the total investment income, £97 was to unrestricted funds and £nil was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational Operations:					
Direct costs	308,716	-	34,743	343,459	386,384
Support costs	87,800	37,447	187,169	312,416	309,171
	<u>396,516</u>	<u>37,447</u>	<u>221,912</u>	<u>655,875</u>	<u>695,555</u>

In 2016, of the total expenditure, £109,218 (2015 - £30,110) was to unrestricted funds and £546,657 (2015 - £665,445) was to restricted funds.

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7. CHARITABLE ACTIVITIES

	Total 2016 £	<i>Total 2015 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	242,728	263,846
National insurance	15,033	18,057
Pension cost	50,022	47,813
Educational materials and supplies	14,904	16,509
Staff development	3,184	5,786
Other direct costs	17,588	34,373
	<u>343,459</u>	<u>386,384</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	66,785	99,019
National insurance	3,144	5,293
Pension cost	16,125	26,025
Depreciation	34,130	32,734
Pension income	7,000	8,000
Maintenance	11,718	9,550
Rates	2,331	3,862
Insurance	9,891	23,811
Energy costs	12,128	12,379
Cleaning	1,379	2,239
Technology costs	9,356	8,841
Transport	2,517	4,905
Catering	10,460	17,203
Other support costs	109,077	36,009
Governance costs	16,375	19,301
	<u>312,416</u>	<u>309,171</u>
	<u><u>655,875</u></u>	<u><u>695,555</u></u>

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	<i>2015 £</i>
Depreciation of tangible fixed assets:		
- owned by the academy	34,130	32,734
Auditors' remuneration - audit	3,000	3,250
Auditors' remuneration - other services	3,250	3,050
Operating lease rentals	2,836	2,836
	<u><u>2,836</u></u>	<u><u>2,836</u></u>

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9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	309,513	362,865
Social security costs	18,177	23,350
Operating costs of defined benefit pension schemes	66,147	73,838
	393,837	460,053
Supply teacher costs	933	24,011
Other costs	1,746	-
	396,516	484,064

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

	2016	2015
	No.	No.
Teachers	6	6
Administration and Support	14	14
	20	20

Average headcount expressed as a full time equivalent:

	2016	2015
	No.	No.
Teachers	5	6
Administration and Support	8	8
	13	14

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

The key management personnel of the academy comprise the governors and the senior leadership team on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £145,000 (2015 - £177,000).

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10. GOVERNORS' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 1 governor (2015 - 2) in respect of defined benefit pension schemes.

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and other staff members under their contracts of employment, and not in respect of their role as governors. The value of governors' remuneration and other benefits for the period they were governors was as follows:

		2016	2015
		£	£
K Bacon	Remuneration	nil	45,000-50,000
	Pension contributions paid	nil	5,000-10,000
R Chadwick	Remuneration	45,000-50,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, no governors received any benefits in kind (2015 - £NIL).

During the year ended 31 August 2016, expenses totalling £200 (2015 - £NIL) were reimbursed to 3 governors (2015 - no governors).

11. GOVERNORS' 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 governors and officers indemnity element from the overall cost of the RPA scheme.

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12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 September 2015	1,070,000	8,500	50,972	1,129,472
Additions	-	-	1,469	1,469
Disposals	-	(8,500)	-	(8,500)
At 31 August 2016	1,070,000	-	52,441	1,122,441
Depreciation				
At 1 September 2015	44,749	7,258	22,971	74,978
Charge for the year	18,520	-	15,610	34,130
On disposals	-	(7,258)	-	(7,258)
At 31 August 2016	63,269	-	38,581	101,850
Net book value				
At 31 August 2016	1,006,731	-	13,860	1,020,591
At 31 August 2015	1,025,251	1,242	28,001	1,054,494

Long-term leasehold property includes land of £144,000 which is not depreciated.

Long-term leasehold property is held under a 125 year lease from Nottinghamshire County Council. The property was initially valued in line with the valuation provided on conversion by the EFA.

13. DEBTORS

	2016 £	2015 £
Trade debtors	7,532	-
VAT reclaimable	21,040	24,993
Other debtors	1,446	-
Prepayments and accrued income	26,938	14,992
	<u>56,956</u>	<u>39,985</u>

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14. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	46,265	17,049
Other taxation and social security	7,617	-
Other creditors	5,343	-
Accruals and deferred income	22,729	26,781
	<u>81,954</u>	<u>43,830</u>
	2016 £	2015 £
Deferred income		
Deferred income at 1 September	19,252	18,808
Resources deferred during the year	16,224	19,252
Amounts released from previous years	(19,252)	(18,808)
	<u>16,224</u>	<u>19,252</u>

At the balance sheet date, the academy had received funding in advance in respect of UIFSM and High-Learning Needs.

15. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted Funds						
General Funds	44,339	137,584	(109,218)	1,242	-	73,947
Restricted Funds						
General Annual Grant (GAG)	-	423,233	(410,599)	(1,469)	-	11,165
Other EFA Grants	2,860	54,807	(52,440)	-	-	5,227
Other Government Grants	-	22,588	(22,588)	-	-	-
Pension Reserve	(215,000)	-	(22,000)	-	(122,000)	(359,000)
	<u>(212,140)</u>	<u>500,628</u>	<u>(507,627)</u>	<u>(1,469)</u>	<u>(122,000)</u>	<u>(342,608)</u>

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15. STATEMENT OF FUNDS (continued)

Restricted Fixed Asset Funds

Assets on Conversion	1,025,251	-	(18,520)	-	-	1,006,731
Assets Acquired with Funding	29,243	-	(15,610)	227	-	13,860
DFC Grants	-	4,900	(4,900)	-	-	-
	<u>1,054,494</u>	<u>4,900</u>	<u>(39,030)</u>	<u>227</u>	<u>-</u>	<u>1,020,591</u>
Total restricted funds	<u>842,354</u>	<u>505,528</u>	<u>(546,657)</u>	<u>(1,242)</u>	<u>(122,000)</u>	<u>677,983</u>
Total of funds	<u>886,693</u>	<u>643,112</u>	<u>(655,875)</u>	<u>-</u>	<u>(122,000)</u>	<u>751,930</u>

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

Unrestricted Funds:

General Funds represent those resources which may be used towards meeting any of the objects of the academy at the discretion of the governors. These are not currently designated for particular purposes.

Restricted Funds:

General Annual Grant is made up of a number of different funding streams all of which are to be used to cover the running costs of the academy.

Other EFA Grants represents other funding received from the EFA for specific purposes.

Other Government Grants represents funding from other Government sources provided for specific purposes.

Restricted Fixed Asset Funds:

DFC Grants represents funding received from the EFA to be spent on capital / maintenance projects at the discretion of the academy.

Assets Transferred on Conversion represents the net book value of the assets transferred from the local authority on conversion.

Assets Acquired with Funding represents the net book value of assets acquired using GAG income and other sources of funding.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	1,020,591	1,020,591	1,054,494
Current assets	155,901	16,392	-	172,293	91,029
Creditors due within one year	(81,954)	-	-	(81,954)	(43,830)
Provisions for liabilities and charges	-	(359,000)	-	(359,000)	(215,000)
	<u>73,947</u>	<u>(342,608)</u>	<u>1,020,591</u>	<u>751,930</u>	<u>886,693</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(12,763)	(99,759)
Adjustment for:		
Depreciation charges	34,130	32,734
Profit on the sale of fixed assets	(5,983)	-
Decrease in stocks	-	1,846
Increase in debtors	(16,971)	(19,688)
Increase in creditors	38,124	7,183
Capital grants from EFA and other capital income	(4,900)	(4,956)
Defined benefit pension scheme cost less contributions payable	15,000	18,000
Defined benefit pension scheme finance cost	7,000	8,000
Net cash provided by/(used in) operating activities	<u>53,637</u>	<u>(56,640)</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	115,337	51,044
Total	<u>115,337</u>	<u>51,044</u>

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19. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire 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 March 2013.

Contributions amounting to £5,393 were payable to the schemes at 31 August 2016 (2015 - £nil) 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

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £28,000 (2015 - £28,000).

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19. PENSION COMMITMENTS (continued)

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

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 2016 was £30,000 (2015 - £37,000), of which employer's contributions totalled £23,000 (2015 - £28,000) and employees' contributions totalled £7,000 (2015 - £9,000). The agreed contribution rates for future years are 18.3% for employers and a maximum of 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:

	2016	2015
Discount rate	2.10 %	3.80 %
Salary increases	4.00 %	4.30 %
Pension increases	2.20 %	2.50 %

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

	2016	2015
Retiring today		
Males	22.1	22.1
Females	25.3	25.2
Retiring in 20 years		
Males	24.4	24.2
Females	27.7	27.6

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19. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	193,000	189,000
Gilts	11,000	7,000
Property	34,000	33,000
Other Bonds	19,000	18,000
Cash	12,000	9,000
Other	13,000	9,000
Total market value of assets	<u>282,000</u>	<u>265,000</u>

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(38,000)	(46,000)
Net interest cost	(7,000)	(8,000)
Total	<u>(45,000)</u>	<u>(54,000)</u>
Actual return on scheme assets	<u>37,000</u>	<u>4,000</u>

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

	2016 £	2015 £
Opening defined benefit obligation	480,000	424,000
Current service cost	38,000	46,000
Interest cost	17,000	17,000
Contributions by employees	7,000	9,000
Changes in financial assumptions	149,000	(10,000)
Benefits paid	(50,000)	(6,000)
Closing defined benefit obligation	<u>641,000</u>	<u>480,000</u>

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19. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	265,000	230,000
Interest income	10,000	9,000
Return on plan assets (excluding net interest)	27,000	(5,000)
Contributions by employer	23,000	28,000
Contributions by employees	7,000	9,000
Benefits paid	(50,000)	(6,000)
	<u>282,000</u>	<u>265,000</u>
Closing fair value of scheme assets	<u>282,000</u>	<u>265,000</u>

20. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	2,836	2,836
Between 1 and 5 years	6,381	9,217
	<u>9,217</u>	<u>12,053</u>
Total	<u>9,217</u>	<u>12,053</u>

21. MEMBERS' LIABILITY

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

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22. RELATED PARTY TRANSACTIONS

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

Relatives of Governors:

During the year, the academy employed a close family member of J Handley, a governor. The governors confirm that such individuals are fairly recruited and their performance is been managed in the normal way; their employment is considered to be of benefit to the academy. The salary cost for the year fell in the £10,000 - £15,000 banding and contributions were paid to the LGPS.

23. FIRST TIME ADOPTION OF FRS 102

It is the first year that the academy has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.