
LEVERTON CHURCH OF ENGLAND ACADEMY

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



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

CONTENTS

	Page
Reference and administrative details	1 - 2
Governors' report	3 - 14
Governance statement	15 - 19
Statement on regularity, propriety and compliance	20
Statement of governors' responsibilities	21
Independent auditors' report on the financial statements	22 - 24
Independent reporting accountant's assurance report on regularity	25 - 26
Statement of financial activities incorporating income and expenditure account	27
Balance sheet	28
Statement of cash flows	29
Notes to the financial statements	30 - 53

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

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	V Brelsford A Jee K Jones Diocese of Nottingham and Southwell Educational Trust
Governors	S Attenborrow V Brelsford, Chair of Governors R Chadwick, Headteacher and Accounting Officer O Hodgson, Staff Governor (appointed 29 March 2018) A Jee (resigned 31 December 2017) C Levy (resigned 10 November 2017) O Lord (appointed 24 April 2018) H Mitton, Staff Governor (resigned 31 December 2017) J Potts (resigned 5 February 2018) J Rich (appointed 18 July 2018) C Saint P Sheasby (appointed 22 November 2017) S Simpson H Turner M Vessey E Walker (appointed 22 November 2017)
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 to 31 December 2017 J Bailey, Assistant Headteacher and SENCO
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

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

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

Advisers (continued)

Solicitors	Nelsons Pennine House 8 Stanford Street Nottingham NG1 7BQ
-------------------	--

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

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The governors present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a governors' report, and a directors' report under company law.

The trust operates an academy for pupils aged 4 to 11 years serving a catchment area in the locality of North Leverton and surrounding villages. It has a pupil capacity of 140 and had a roll of 116 in the school census in October 2017.

Structure, Governance and Management

Constitution

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

The 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.

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

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

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 trust.

- 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

The governors receive:

- 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.

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

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

The senior leadership team comprises the Headteacher, Assistant 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 the in the previous year. Pay for other SLT members is based on recommendation of the Headteacher through the performance management process.

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

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

Related Parties and Other Connected Charities and Organisations

Leverton Pre-School Playgroup operated from the premises of Leverton C of E Academy but moved to an adjoining building within the school grounds during the year. The Playgroup is a registered charity run by a voluntary committee of parents and family members to provide early-years care and education for pre-school infants from 2 years upwards. The FS2 lead within the academy works closely with Playgroup staff to ensure a seamless transition of infants into the formal school environment. Following the move, Leverton C of E Academy governing body is keen to work closely with the Pre-School Playgroup Committee to ensure best outcomes for all.

The academy works with, and is supported by, Leverton Academy PTFA. The PTFA 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

The objectives of the academy are to:

- To develop and embed the leadership and management of all stakeholders across the academy.
- To fully establish the new curriculum and assessment systems.
- To develop an open culture which actively promotes confident, self-assured learners.
- To ensure progress and attainment of all groups across the school is at least good.
- To ensure the quality of Early Years Provision is at least good.
- To enhance the Christian distinctiveness of our school.

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

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

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 C of E 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 church and community groups to develop community events both in and out of school.
- Local sports clubs for training, coaching and competitions.
- Additional music teachers.
- The Bassetlaw District Council Heritage group linked to the Illuminate Festival and the Pilgrim Father celebrations.
- The local arts development group.

Wherever possible the academy 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, with dates already booked for 2018/19.
- The PTFA uses the academy to hold a range of fundraising activities for the children, families and the wider community.

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

Attainment 2017/18

EYFS

% of children achieving an overall good level of development

2016/17 Result	National Average	2017/18 Result
73%	71%	67%

KS1

% of children at the expected level

	School Result	National Result
Reading	85%	75%
Writing	75%	70%
Maths	85%	76%

- This year's results are above the national average in all areas.

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

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

KS2 Results 2017

Subject	Attainment	School Result	National Average
Reading	Expected level	86%	75%
	Higher level	21%	28%
Writing	Expected level	86%	78%
	Higher level	7%	20%
Maths	Expected level	93%	76%
	Higher level	29%	24%
Grammar, Punctuation and Spelling	Expected level	100%	78%
	Higher level	36%	34%
Combined	Expected level	86%	64%
	Higher level	7%	10%

Progress

Subject	School Progress Score	National score
Reading	+1.66	0
Writing	-0.74	0
Maths	+1.82	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 was above the National level in Reading, Writing & Maths. The combined figure was above the floor target & the National level.

In addition to this the children were given the opportunity to take part in a wide range of after school clubs including: athletics, netball, wellbeing, choir, 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 Devon supporting their understanding of a contrasting localities. Lower KS2 visited Walesby adventure Camp for 2 nights linked to developing their teamwork skills. Day trips have also taken place to support children's learning throughout the year to places such as; Sherwood Pines, The Tropical Butterfly House, Cannon Hall Farm, Young Voices Choir & the fire station. The Year 2/3/4 children again took part in the six week outdoor workshop sessions to develop their understanding of the outdoor environment.

As a school 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, the local food bank and the Downs Syndrome charities. All fundraising undertaken conforms to recognised standards.

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

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

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 and Skills Funding Agency ("ESFA") funding level); the school currently has a nearly full PAN of 20 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 each year (set and manage a balanced budget), and will only carry forward reserves that it considers necessary (in line with the Reserves Policy).

The governors have determined that the appropriate level of free reserves for this financial year should be equivalent to one month's payroll cost, approximately £30,000. This is re-calculated on an annual basis.

- 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.

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.

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

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

Financial Review

Most of the academy's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2018, total expenditure of £661,716 was greater than grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding actuarial movement) was £27,324.

At 31 August 2018, the net book value of fixed assets was £1,093,521 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.

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. 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.

Academies are expected to create reserves from their annual GAG funding. 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 Condition Improvement Fund as required. The governors of Leverton C of E 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 each 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.

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

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

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.

The value of restricted general funds (excluding pension reserve) plus unrestricted funds was £162,974. Of the total restricted fixed assets fund of £1,100,170, £1,093,521 can only be realised by disposing of tangible fixed assets.

Investment Policy

The purpose of the Investment Policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be spent on educating pupils.

Adequate cash balances must be maintained to ensure that there are always sufficient funds in the school's current account to cover financial commitments such as payroll and day-to-day expenses. If there is a surplus of funds after all financial commitments have been considered, this surplus will be invested.

Funds should be invested in tranches of up to £50,000 and after agreement from the finance committee. It may be beneficial to invest each tranche with a different financial institution. Funds, and any interest they earn, will be automatically reinvested, unless they are required for immediate or anticipated expenditure.

The Office Administrator compares alternative investment opportunities to ensure that the academy's funds achieve the best interest rates. The Headteacher is responsible for ensuring that the policy is adhered to.

Principal Risks and Uncertainties

Leverton C of E Academy full governing body complete a Risk Analysis Matrix termly in order to ensure compliance with the ESFA 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.

Financial and Risk Management Objectives and Policies

The academy trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the academy trust to a number of financial risks which are described in more detail below. The main risks arising from the academy's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - The academy manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the academy earns interest on the current account. With interest rates currently low, the governors will consider action to increase the income in line with the academy's Reserves and Investment Policies, provided it does not jeopardise the liquidity or security of the academy's assets.

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

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

Credit risk arises from the possibility that amounts owed to the academy will not be repaid. The academy does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

The governing body identify the following policies relating to risk management:

Health and Safety Policy.
Fire Safety Policy.
First Aid Policy.
Emergency Plan Procedure.
Whistle Blowing Policy.
Anti-Corruption and Bribery Policy.
Reserves Policy.
Cash Handling Policy.
Capital and Revenue Reserves Policy.
Data Protection Policy.
Behaviour Policy.
Visits and Trips Policy.
Finance Policy.
Safeguarding and Child Protection Policy.
Staff Handbook.
Charging and Remissions Policy.
Fraud Policy.
Lettings Policy.
Investment Policy.
Write Off & Asset Disposal Register.
GDPR Policy.

These areas of risk are regularly reviewed by appropriate staff, the senior management team and the full governing body. All changes made to policies identified as relevant to risk management are approved and signed off by the governing body. Adherence to, and awareness of changes within the Academies Financial Handbook are priority.

The following policies and registers are also in place and reviewed annually by the governing body:

Register of Business Interests.
School Development Plan.
Financial Delegation (Contained within Finance Policy).
Statement of Internal Control.
FMGS and Risk Matrix Tool.

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

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

The governors of the academy oversee risk management through a series of elements:

- Policy and Procedure
Policy and procedures (as above) are set and approved by governors. They are implemented and communicated to staff and visitors through the Headteacher. Written procedures provide structure to policies where appropriate.
- Termly Reporting
Termly reporting to the full governing body enables monitoring of the key risks and provides opportunity for problems to be highlighted.
- Business Planning and Budgeting
Development planning and the budgeting process is used to set objectives, agree action plans and allocate resources. Progress towards meeting the academy's objectives is monitored regularly.
- Responsible Officer (RO)
The RO will report to the governing body on internal controls and alert governors to any emerging issues as they arise. The RO is well placed to provide advice on the effectiveness of the internal control system, including risk management.
- Finance Trustee
The Finance Trustee meets with the Business Administrator to do a series of internal audit checks, with a range of financial transactions being tested at each visit.
- External Audit
The external audit provides feedback to the governors on the operation of the internal financial controls reviewed as part of the annual audit.
- Third Party Reports
The use of external consultants will be necessary in areas such as health and safety and Human Resources. The use of such specialists will be used to increase the reliability of the internal control system.

Plans for Future Periods

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

A premises report is presented to the full governing body on a termly basis by the academy site manager. The development of the outdoor area and ICT are areas highlighted for future investment by the governing body.

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

- Extending the working links between Leverton Pre-School Playgroup and academy staff in order to ensure consistent and high standards of provision for children entering early year's education and support for local families using both the Playgroup and academy provision.
- A working party of governors and members of the senior leadership team will work together to build a sustainable long term plan for the academy.

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

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

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 11/12/18 and signed on the board's behalf by:

V Brelsford, Chair of Governors



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

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 5 times during the year. Attendance during the year at meetings of the governing body was as follows:

Governor	Meetings attended	Out of a possible
S Attenborrow	5	5
V Brelsford, Chair of Governors	5	5
R Chadwick, Headteacher and Accounting Officer	5	5
O Hodgson, Staff Governor	1	1
A Jee	2	2
C Levy	0	1
O Lord	1	1
H Mitton, Staff Governor	2	2
J Potts	2	2
J Rich	1	1
C Saint	4	5
P Sheasby	4	4
S Simpson	3	5
H Turner	4	5
M Vessey	4	5
E Walker	2	4

The governing body is pleased to document further improvements and positive developments across the academy during the 2017/2018 academic year. The middle management of the school has strengthened with the appointments of an Assistant Head and Senior Teacher. The academy has attracted new families to its provision, with pupil admissions increasing further over the course of the academic year. The governing body supports the senior leadership team to ensure that class sizes are appropriate and that the academy is staffed with the professional skills required to maintain high standards of care and education of all who attend the setting.

This year has seen Leverton Pre-School Playgroup relocate from the school building into the adjoining, self-contained unit (previously Sure Start Building). This move has allowed the Academy to relocate FS2 provision into an area which encompasses much more outdoor provision and greater opportunity for collaboration with the community preschool setting. As a feeder organisation to the school and the provision of wrap-around care for local families, a working party from the governing body continues to liaise with Leverton Pre-School Playgroup staff and committee.

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

GOVERNANCE STATEMENT (continued)

Investment across the academy is on-going, with work towards the new library underway and outdoor provision further enriched with new play equipment. Governors continue to work closely with the Headteacher and senior leadership team to ensure that the academy provides a high standard of education and wider support to local children and their families. The Academy continues to support access to learning through investing in appropriate intervention programmes for pupils. All of this is underpinned by investing in staff, with access to training and supporting work-life balance seen as key tools to a well organised and happy school for all.

The governing body is committed to fulfilling their role effectively. This is done by ensuring that all governors have the necessary skills and experience to enhance the working practices of the governing body and its committees. Governors continue to pay termly visits to the Academy to ensure monitoring is effective and that this is fed back at Governing Body meetings. Improved succession planning has allowed for a new vice-chair of governors, and two new committee chairs have been elected to the Curriculum and Finance committees. This academic year sees the appointment of a new ex-officio Foundation Governor on behalf of Southwell and Nottingham Educational Trust. Additionally, the board has also recruited two new parent governors and an appointed governor who have the key skills needed to enhance the functioning of the governing body. The Academy now has a full complement of governors with no vacancies currently available on the board. Governor succession planning remains a key objective for further improvement.

The governing body appreciate the continued contribution made to the academy by the Headteacher Miss Chadwick, and importantly to the whole staff team for their continued dedication to the school, its' pupils and their families. Governors are keen to ensure that the academy reflects the needs of the local families which it serves and that it continues to work closely with others within the community to maintain its local character. The Governors look forward to working with the whole staff team on the academy's continued journey of improvement.

The Finance and General Purposes Committee is a sub-committee of the governing body. Its purpose is to determine, approve and monitor the academy'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 academy provides a safe educational environment.

This year the Finance and General Purposes Committee has overseen the working party responsible for assisting the Office Manager to ensure the academy is conversant with the new GDPR regulations which came into force on the 25 May 2018.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
V Brelsford	3	3
R Chadwick	3	3
C Saint	3	3
P Sheasby	1	2

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

GOVERNANCE STATEMENT (continued)

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.

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 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

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

GOVERNANCE STATEMENT (continued)

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 Julia Raftery Consulting Ltd as internal auditor.

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

- purchasing and payroll procedures;
- review of academy policies; and
- control / bank account reconciliations.

On an annual basis, the auditor reports to the governing body through the Finance and General Purposes Committee on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Items raised as material control issues arising as a result of the responsible officers work in this financial year include:

- Review the finance policy and update to be ratified by governors. Set and document delegated limits for signatories.
- Purchase a lockable cabinet for sensitive data to be held, compliant with GDPR.
- Review invoice procedure, date stamping on arrival.

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.

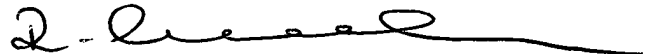
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 11/12/18 and signed on their behalf, by:

V Brelsford, Chair of Governors



**R Chadwick, Headteacher and
Accounting Officer**



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

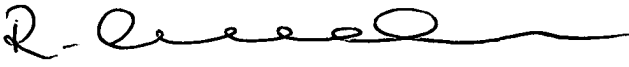
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Leverton Church of England Academy I have considered my responsibility to notify the academy trust governing body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust 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 2017.

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

R Chadwick
Accounting Officer


ulizls

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

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The governors (who 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 & Skills 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 ESFA/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 11/12/18 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**

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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**

RESPONSIBILITIES OF TRUSTEES

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, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



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

Date: 17/12/18

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

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

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Leverton Church of England Academy during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Leverton Church of England Academy and the ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Leverton Church of England Academy and the ESFA, 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 ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Leverton Church of England Academy's funding agreement with the Secretary of State for Education dated 1 April 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 and internal audit reports.

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Robert Anderson

Streets Audit LLP

Chartered Accountants & Statutory Auditor

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

Date: 17/12/18

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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	500	500	14,658	15,658	96,796
Charitable activities	3	24,154	591,678	-	615,832	555,213
Other trading activities	4	2,815	-	-	2,815	29,418
Investments	5	87	-	-	87	91
TOTAL INCOME		27,556	592,178	14,658	634,392	681,518
EXPENDITURE ON:						
Charitable activities		27,556	598,430	35,730	661,716	571,980
TOTAL EXPENDITURE	6	27,556	598,430	35,730	661,716	571,980
NET BEFORE TRANSFERS		-	(6,252)	(21,072)	(27,324)	109,538
Transfers between Funds	15	-	(16,225)	16,225	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		-	(22,477)	(4,847)	(27,324)	109,538
Actuarial gains/(losses) on defined benefit pension schemes	19	-	108,000	-	108,000	(39,000)
NET MOVEMENT IN FUNDS		-	85,523	(4,847)	80,676	70,538
RECONCILIATION OF FUNDS:						
Total funds brought forward		-	(282,549)	1,105,017	822,468	751,930
TOTAL FUNDS CARRIED FORWARD		-	(197,026)	1,100,170	903,144	822,468

The notes on pages 30 to 53 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		1,093,521		1,077,628
CURRENT ASSETS					
Debtors	13	20,691		37,222	
Cash at bank and in hand		191,742		238,738	
		<u>212,433</u>		<u>275,960</u>	
CREDITORS: amounts falling due within one year	14	(42,810)		(104,120)	
NET CURRENT ASSETS			<u>169,623</u>		<u>171,840</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,263,144</u>		<u>1,249,468</u>
Defined benefit pension scheme liability	19	(360,000)			(427,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>903,144</u></u>		<u><u>822,468</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	162,974		144,451	
Restricted fixed asset funds	15	1,100,170		1,105,017	
		<u></u>		<u></u>	
Restricted income funds excluding pension liability		1,263,144		1,249,468	
Pension reserve		(360,000)		(427,000)	
		<u></u>		<u></u>	
Total restricted income funds			<u>903,144</u>		<u>822,468</u>
TOTAL FUNDS			<u><u>903,144</u></u>		<u><u>822,468</u></u>

The financial statements on pages 27 to 53 were approved by the governors, and authorised for issue, on 11/12/18 and are signed on their behalf, by:

V Brelsford, Chair of Governors



The notes on pages 30 to 53 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	<u>(10,031)</u>	<u>120,583</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(51,623)	(87,236)
Capital grants from ESFA		<u>14,658</u>	<u>90,054</u>
Net cash (used in)/provided by investing activities		<u>(36,965)</u>	<u>2,818</u>
Change in cash and cash equivalents in the year		(46,996)	123,401
Cash and cash equivalents brought forward		<u>238,738</u>	<u>115,337</u>
Cash and cash equivalents carried forward	18	<u><u>191,742</u></u>	<u><u>238,738</u></u>

The notes on pages 30 to 53 form part of these financial statements.

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

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

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

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 funders where the asset acquired or created is held for a specific purpose.

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

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

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity.

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

All expenditure is inclusive of irrecoverable VAT.

1.5 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.

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

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

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £200 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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:

Leasehold property	-	straight line over 50 years
Property improvements	-	straight line over 10 years
Fixtures, fittings and equipment	-	straight line over 3, 4 and 10 years
Assets under construction	-	no depreciation

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

1.7 Debtors

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

1.8 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.

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

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

1. ACCOUNTING POLICIES (continued)

1.9 Liabilities and provisions

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments.

Cash at bank and in hand - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.11 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.

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

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

1. ACCOUNTING POLICIES (continued)

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 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.

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.

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

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

1. ACCOUNTING POLICIES (continued)

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total 2018 £	Total 2017 £
Donations	500	500	-	1,000	6,742
Capital Grants	-	-	14,658	14,658	90,054
	<u>500</u>	<u>500</u>	<u>14,658</u>	<u>15,658</u>	<u>96,796</u>
Total 2017	<u>6,742</u>	<u>-</u>	<u>90,054</u>	<u>96,796</u>	

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

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
ESFA Grants				
General Annual Grant (GAG)	-	497,177	497,177	447,712
Other ESFA Grants	-	70,486	70,486	55,812
	-	567,663	567,663	503,524
Other Government Grants				
Local Authority Grants	-	24,015	24,015	25,245
	-	24,015	24,015	25,245
Other Funding				
Other Income	24,154	-	24,154	26,444
	24,154	-	24,154	26,444
	24,154	591,678	615,832	555,213
<i>Total 2017</i>	16,444	538,769	555,213	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Lettings Income	1,215	-	1,215	2,702
Insurance Claims	1,600	-	1,600	18,384
Staff Consultancy	-	-	-	6,600
Catering Income	-	-	-	1,732
	2,815	-	2,815	29,418
<i>Total 2017</i>	29,418	-	29,418	

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

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

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Bank Interest	87	-	87	91
	<u>87</u>	<u>-</u>	<u>87</u>	<u>91</u>
<i>Total 2017</i>	<u>91</u>	<u>-</u>	<u>91</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations:					
Direct Costs	359,682	-	63,691	423,373	376,617
Support Costs	98,692	38,491	101,160	238,343	195,363
	<u>458,374</u>	<u>38,491</u>	<u>164,851</u>	<u>661,716</u>	<u>571,980</u>
<i>Total 2017</i>	<u>411,474</u>	<u>28,834</u>	<u>131,672</u>	<u>571,980</u>	

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

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

7. CHARITABLE ACTIVITIES

	Total 2018 £	<i>Total 2017 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and Salaries	267,668	255,731
National Insurance	21,669	20,669
Pension Cost	58,948	56,610
Educational Materials and Supplies	32,950	20,056
Staff Development	4,990	5,414
Other Direct Staff Costs	18,647	8,306
Other Direct Costs	18,501	12,165
	<u>423,373</u>	<u>378,951</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and Salaries	67,554	54,046
National Insurance	3,214	2,820
Pension Cost	27,924	16,692
Depreciation	35,730	30,199
Pension Finance Cost	11,000	7,000
Maintenance	19,672	11,305
Rates	3,044	1,857
Insurance	2,991	2,212
Energy Costs	11,616	11,241
Cleaning	1,168	2,219
Technology Costs	13,677	7,016
Transport	1,231	1,074
Catering	11,156	13,135
Other Support Costs	17,000	14,477
Governance Costs	11,366	17,736
	<u>238,343</u>	<u>193,029</u>
	<u><u>661,716</u></u>	<u><u>571,980</u></u>

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

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

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the academy	35,730	30,199
Auditors' remuneration - audit	3,000	3,000
Auditors' remuneration - other services	3,150	8,150
Operating lease rentals	2,612	2,836
	<u> </u>	<u> </u>

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

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

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	335,222	309,777
Social security costs	24,883	23,489
Operating costs of defined benefit pension schemes	86,872	73,302
	<u>446,977</u>	<u>406,568</u>
Supply staff costs	11,397	4,906
	<u>458,374</u>	<u>411,474</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	7	7
Administration and Support	11	10
	<u>18</u>	<u>17</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	7	7
Administration and Support	7	6
	<u>14</u>	<u>13</u>

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

c. Key management personnel

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 £149,000 (2017 - £152,000).

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

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

10. GOVERNORS' REMUNERATION AND EXPENSES

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:

		2018 £	2017 £
R Chadwick, Headteacher and Accounting Officer	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
H Mitton, Staff Governor	Remuneration	10,000-15,000	35,000-40,000
	Pension contributions paid	0-5,000	5,000-10,000
O Hodgson, Staff Governor	Remuneration	10,000-15,000	nil
	Pension contributions paid	0-5,000	nil

During the year, no governors received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, expenses totalling £600 (2017 - £448) were reimbursed to 2 governors (2017 - 3).

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 governors 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.

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

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

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Property improvements £	Fixtures, fittings and equipment £	Assets under construction £	Total £
Cost					
At 1 September 2017	1,070,000	12,045	70,036	57,596	1,209,677
Additions	-	2,292	25,320	24,011	51,623
Transfer between classes	81,607	-	-	(81,607)	-
At 31 August 2018	1,151,607	14,337	95,356	-	1,261,300
Depreciation					
At 1 September 2017	81,789	270	49,990	-	132,049
Charge for the year	19,744	1,377	14,609	-	35,730
At 31 August 2018	101,533	1,647	64,599	-	167,779
Net book value					
At 31 August 2018	1,050,074	12,690	30,757	-	1,093,521
At 31 August 2017	988,211	11,775	20,046	57,596	1,077,628

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 ESFA.

The transfer to Long-term leasehold property relates to extension works which were completed during the year.

13. DEBTORS

	2018 £	2017 £
Trade debtors	-	2,183
VAT reclaimable	2,847	22,978
Prepayments and accrued income	17,844	12,061
	<u>20,691</u>	<u>37,222</u>

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

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

14. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	4,749	19,206
Other taxation and social security	6,880	6,919
Other creditors	6,806	6,660
Accruals and deferred income	24,375	71,335
	<u>42,810</u>	<u>104,120</u>
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September	10,962	16,224
Resources deferred during the year	17,815	10,962
Amounts released from previous years	(10,962)	(16,224)
Deferred income at 31 August	<u>17,815</u>	<u>10,962</u>

At the year-end, the academy had received funding in advance in respect of UIFSM and SEN.

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

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

15. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted Funds						
General Funds	-	27,556	(27,556)	-	-	-
Restricted Funds						
General Annual Grant (GAG)	129,788	497,177	(464,196)	(6,225)	-	156,544
Other ESFA Grants	4,663	70,486	(68,719)	-	-	6,430
Other Government Grants	-	24,015	(24,015)	-	-	-
Other Income	10,000	500	(500)	(10,000)	-	-
Pension Reserve	(427,000)	-	(41,000)	-	108,000	(360,000)
	<u>(282,549)</u>	<u>592,178</u>	<u>(598,430)</u>	<u>(16,225)</u>	<u>108,000</u>	<u>(197,026)</u>
Restricted Fixed Asset Funds						
Assets on Conversion	988,211	-	(18,520)	-	-	969,691
Assets Acquired with Funding	89,417	-	(17,210)	51,623	-	123,830
DFC Grants	-	5,215	-	-	-	5,215
CIF Grants	27,389	9,443	-	(35,398)	-	1,434
	<u>1,105,017</u>	<u>14,658</u>	<u>(35,730)</u>	<u>16,225</u>	<u>-</u>	<u>1,100,170</u>
Total restricted funds	<u>822,468</u>	<u>606,836</u>	<u>(634,160)</u>	<u>-</u>	<u>108,000</u>	<u>903,144</u>
Total of funds	<u>822,468</u>	<u>634,392</u>	<u>(661,716)</u>	<u>-</u>	<u>108,000</u>	<u>903,144</u>

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

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

15. STATEMENT OF FUNDS (continued)

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. It is the academy's policy to use such funds in preference to GAG.

Restricted Funds:

General Annual Grant ("GAG") 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 ESFA Grants represents other funding received from the ESFA for specific purposes.

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

Other Income represents funding from other sources to be spent for specific purposes. In the previous year, funding was received from the Big Lottery Fund for playground equipment acquired in the current year. In the current year, the academy received funding for the acquisition of a stage.

Pension Reserve represents the deficit of the Local Government Pension Scheme ("LGPS").

Restricted Fixed Asset Funds:

DFC / CIF Grants represent funding received from the ESFA to be spent on capital / maintenance projects.

Assets Transferred on Conversion represents the net book value of 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 2018.

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

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

15. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
Unrestricted Funds						
General Funds	73,947	52,695	(40,247)	(86,395)	-	-
Restricted Funds						
General Annual Grant (GAG)	11,165	447,712	(390,913)	61,824	-	129,788
Other ESFA Grants	5,227	55,812	(56,376)	-	-	4,663
Other Government Grants	-	25,245	(25,245)	-	-	-
Other Income	-	10,000	-	-	-	10,000
Pension Reserve	(359,000)	-	(29,000)	-	(39,000)	(427,000)
	<u>(342,608)</u>	<u>538,769</u>	<u>(501,534)</u>	<u>61,824</u>	<u>(39,000)</u>	<u>(282,549)</u>
Restricted Fixed Asset Funds						
Assets on Conversion	1,006,731	-	(18,520)	-	-	988,211
Assets Acquired with Funding	13,860	-	(11,679)	87,236	-	89,417
DFC Grants	-	5,069	-	(5,069)	-	-
CIF Grants	-	84,985	-	(57,596)	-	27,389
	<u>1,020,591</u>	<u>90,054</u>	<u>(30,199)</u>	<u>24,571</u>	<u>-</u>	<u>1,105,017</u>
Total restricted funds	<u>677,983</u>	<u>628,823</u>	<u>(531,733)</u>	<u>86,395</u>	<u>(39,000)</u>	<u>822,468</u>
Total of funds	<u>751,930</u>	<u>681,518</u>	<u>(571,980)</u>	<u>-</u>	<u>(39,000)</u>	<u>822,468</u>

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

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

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted Funds						
General Funds	73,947	80,251	(67,803)	(86,395)	-	-
Restricted Funds						
General Annual Grant (GAG)	11,165	944,889	(855,109)	55,599	-	156,544
Other ESFA Grants	5,227	126,298	(125,095)	-	-	6,430
Other Government Grants	-	49,260	(49,260)	-	-	-
Other Income	-	10,500	(500)	(10,000)	-	-
Pension Reserve	(359,000)	-	(70,000)	-	69,000	(360,000)
	<u>(342,608)</u>	<u>1,130,947</u>	<u>(1,099,964)</u>	<u>45,599</u>	<u>69,000</u>	<u>(197,026)</u>
Restricted Fixed Asset Funds						
Assets on Conversion	1,006,731	-	(37,040)	-	-	969,691
Assets Acquired with Funding	13,860	-	(28,889)	138,859	-	123,830
DFC Grants	-	10,284	-	(5,069)	-	5,215
CIF Grants	-	94,428	-	(92,994)	-	1,434
	<u>1,020,591</u>	<u>104,712</u>	<u>(65,929)</u>	<u>40,796</u>	<u>-</u>	<u>1,100,170</u>
Total restricted funds	677,983	1,235,659	(1,165,893)	86,395	69,000	903,144
Total of funds	<u>751,930</u>	<u>1,315,910</u>	<u>(1,233,696)</u>	<u>-</u>	<u>69,000</u>	<u>903,144</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	1,093,521	1,093,521
Current assets	-	205,784	6,649	212,433
Creditors due within one year	-	(42,810)	-	(42,810)
Provisions for liabilities and charges	-	(360,000)	-	(360,000)
	<u>-</u>	<u>(197,026)</u>	<u>1,100,170</u>	<u>903,144</u>

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

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

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2017</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Tangible fixed assets	-	-	1,077,628	1,077,628
Current assets	-	197,613	78,347	275,960
Creditors due within one year	-	(53,162)	(50,958)	(104,120)
Provisions for liabilities and charges	-	(427,000)	-	(427,000)
	<u>-</u>	<u>(282,549)</u>	<u>1,105,017</u>	<u>822,468</u>

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

	2018	2017
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(27,324)	109,538
Adjustment for:		
Depreciation charges	35,730	30,199
Decrease in debtors	16,531	19,734
(Decrease) / increase in creditors	(61,310)	22,166
Capital grants from ESFA	(14,658)	(90,054)
Defined benefit pension scheme cost less contributions payable	30,000	22,000
Defined benefit pension scheme finance cost	11,000	7,000
Net cash (used in)/provided by operating activities	<u>(10,031)</u>	<u>120,583</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	191,742	238,738
Total	<u>191,742</u>	<u>238,738</u>

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

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

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 2016.

Contributions amounting to £6,759 were payable to the schemes at 31 August 2018 (2017 - £6,495) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £35,000 (2017 - £34,000).

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

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

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 2018 was £29,000 (2017 - £25,000), of which employer's contributions totalled £22,000 (2017 - £19,000) and employees' contributions totalled £7,000 (2017 - £6,000). 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:

	2018	2017
Discount Rate	2.65 %	2.60 %
Salary Increase Rate	3.80 %	4.20 %
Pension Increase Rate	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	22.7 years	22.6 years
Females	25.6 years	25.5 years
Retiring in 20 years		
Males	24.9 years	24.8 years
Females	28.0 years	27.9 years

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity Analysis - Effect on Total Obligation		
Discount Rate +0.1%	(17,000)	(8,000)
Discount Rate -0.1%	18,000	19,000
Mortality Assumption - 1 Year Increase	29,000	31,000
Mortality Assumption - 1 Year Decrease	(28,000)	(30,000)
Pension Increase Rate +0.1%	16,000	17,000
Pension Increase Rate -0.1%	(16,000)	(17,000)

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

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

19. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	253,000	255,000
Gilts	11,000	12,000
Other Bonds	41,000	46,000
Property	54,000	45,000
Cash	7,000	8,000
Other	27,000	18,000
	<u>393,000</u>	<u>384,000</u>
Total market value of assets	<u>393,000</u>	<u>384,000</u>

The actual return on scheme assets was £24,000 (2017 - £40,000):

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

	2018 £	2017 £
Current service cost	(52,000)	(41,000)
Interest income	10,000	6,000
Interest cost	(21,000)	(13,000)
	<u>(63,000)</u>	<u>(48,000)</u>
Total	<u>(63,000)</u>	<u>(48,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	811,000	641,000
Current service cost	52,000	41,000
Interest cost	21,000	13,000
Employee contributions	7,000	6,000
Changes in assumptions	(94,000)	122,000
Benefits paid	(44,000)	(12,000)
	<u>753,000</u>	<u>811,000</u>
Closing defined benefit obligation	<u>753,000</u>	<u>811,000</u>

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

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

19. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	384,000	282,000
Interest income	10,000	6,000
Return on assets and other actuarial movement	14,000	83,000
Employer contributions	22,000	19,000
Employee contributions	7,000	6,000
Benefits paid	(44,000)	(12,000)
	<u>393,000</u>	<u>384,000</u>
Closing fair value of scheme assets	<u>393,000</u>	<u>384,000</u>

20. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	2,388	2,836
Between 1 and 5 years	3,582	3,545
Total	<u>5,970</u>	<u>6,381</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.

22. CONTINGENT LIABILITIES

In the event of Leverton Church of England Academy ceasing to operate as an academy, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the academy.

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

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

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy and the composition of the governing body being drawn from local public and private sector organisations, transactions may take place with organisations in which governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

Leverton Pre-School Playgroup:

Leverton Pre-School Playgroup is a charity in which some of the governors are trustees. During the year, the academy received £1,195 (2017 - £2,620) for the letting of property and charged £nil (2017 - £1,732) for catering services. There was no balance outstanding at either year-end.