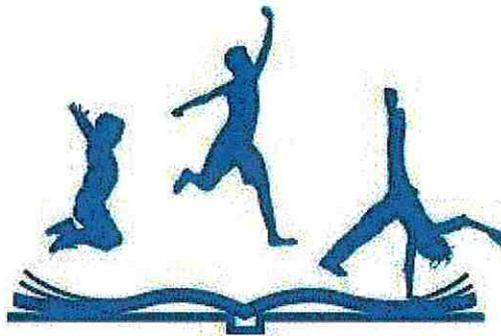


# Runwell Community Primary School Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018



**Runwell Community  
Primary School**



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

# **Runwell Community Primary School Academy Trust**

## **Contents**

Reference and Administrative Details	1 to 2
Trustees' Report	3 to 13
Governance Statement	14 to 16
Statement on Regularity, Propriety and Compliance	17
Statement of Trustees' Responsibilities	18
Independent Auditor's Report on the Financial Statements	19 to 21
Independent Reporting Accountant's Report on Regularity	22 to 23
Statement of Financial Activities incorporating Income and Expenditure Account	24 to 25
Balance Sheet	26
Statement of Cash Flows	27
Notes to the Financial Statements	28 to 47

# **Runwell Community Primary School Academy Trust**

## **Reference and Administrative Details**

**Members** Lisa Thompson  
Melissa Cookson  
Yvonne Waterhouse  
Gill Hearsey

**Governors (Trustees)** Joanne Madders, Company Secretary  
Sharon Brooks  
Christine Creek (resigned 3 December 2018)  
Gill Hearsey, Chairperson  
Lynn Barwell (resigned 8 December 2018)  
Melissa Cookson  
Yvonne Waterhouse (resigned 13 November 2017)  
Sasha Furze, Headteacher & Accounting Officer  
Lisa Thompson  
Gemma Case (resigned 16 January 2018)  
Sue Wise  
Jeremy Crook  
Joanne Grace (appointed 31 January 2018)  
Daniel Jones (appointed 9 January 2018)  
Nicola Kelly (appointed 4 May 2018)

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

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

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

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

### **Trustees' Report for the Year Ended 31 August 2018**

The Trustees present their seventh report and the seventh financial statements and auditors' report of Runwell Community Primary School Academy Trust ("RCPS") for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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

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

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company is governed by the rules and regulations set down in its company Memorandum and Articles of Association dated 29th December 2014. The company registration number is 07673903.

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

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

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

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

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

The charitable company has purchased governors' and officers' insurance, details of which are shown in note 10 to the financial statements.

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

The principal activity of RCPS is currently to run a primary school in Runwell for boys and girls, aged 4 to 11.

It has a capacity of 300 and a roll of 286 in the school census dated 01/10/2017.

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

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

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

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

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

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

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

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

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

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

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

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

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

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

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

The governors meet as a whole body at least six times each year. All decisions reserved to the governors are taken by whole governing body. The Audit Committee is incorporated within the Governing body. Staff governors do not have voting rights in this part of the meeting. They are not allowed to participate unless invited to and may be asked to leave the meeting.

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

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

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

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

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

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

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

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

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

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

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

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

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

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

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

#### **Objectives and Activities**

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

(a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and

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

The principal activity of RCPS is currently to run a primary school in Runwell for boys and girls. In addition, RCPS holds the accreditation for the Thames Primary SCITT, a large teacher training organisation which is located at RCPS. The Thames Primary Consortium comprises of around 135 schools in Essex and the role of the SCITT is to train new teachers to work in the Basildon/ Wickford/ Southend/ Brentwood/ Newham area. RCPS also works within the community, sharing resources with other schools and the wider community (see "Relationships with Related Parties" below).

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

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Public Benefit**

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

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

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

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

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

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

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

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

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

## Runwell Community Primary School Academy Trust

### Trustees' Report for the Year Ended 31 August 2018 (continued)

#### Strategic Report

##### Achievements and performance

For the previous six years, pupils' academic achievement at RCPS has been in line with or usually exceeded local, county and national averages. The following tables show end of Key Stage results in 2018. KS1 data has fluctuated, largely due to variances in the contextual diversity of the cohorts (SEND numbers and mid year admissions have had a role to play in this year's data).

Phonics data is in line with national average this year and represents a significant improvement on 2017 data.

Progress measures for KS2 are in line with national averages and for the first time this year represent a significant improvement on the three preceding years. Internal progress data is strong and represents a robust improvement year on year. The school was moderated across all three key stages in January 2018 and re-moderated for EYFS and KS2 writing in Summer 2018.

##### KS2 - TEST RESULTS AND TEACHER ASSESSMENT

	<b>SATs Result</b>	<b>SAT Higher</b>	<b>TA</b>	<b>TA Higher</b>
<b>Reading</b>	80%	33%	77%	N/A
<b>Writing</b>	N/A	N/A	90%	30%
<b>Grammar, Punctuation and Spelling</b>	83%	53%	N/A	N/A
<b>Mathematics</b>	83%	23%	87%	N/A
<b>Combined RWM</b>	67%	23%	N/A	N/A

##### KS1 - TEACHER ASSESSMENT

	<b>Met Expected Standard</b>	<b>Greater Depth</b>
<b>Reading</b>	70%	20%
<b>Writing</b>	66%	13%
<b>Maths</b>	71%	13%

##### EYFS - TEACHER ASSESSMENT

80% of children reached the 'Good Level of Development' in 2018.  
(This data was externally moderated during a visit)

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

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### **Ofsted**

The school was inspected in March 2018 on a 1 day 'short' inspection and received a letter confirming that we continue to be a good and improving school. We are not expecting re-inspection unless there is a significant trigger.

##### **Relationships with Related Parties**

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

- **Wickford Extended services**

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

- **Chelmsford Education Network**

RCPS is part of this network. It is a group of 26 schools, most of which are based in Chelmsford, that work together to further the education provided in the member schools. RCPS receives training and support for school development, plus the network provides specialist academy financial to RCPS's Business Manager.

- **Kids Company**

Kids Company is based at RCPS and use its facilities. Kids Company provides before/after school and holiday childcare that is used by children at RCPS and by those from other schools.

- **Lettings**

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

- **Links with Parish Council**

The Parish Council now has a link to the school through a member who is also an RCPS governor.

- **Other**

The school is involved in many community events throughout the year. For example, every year the school provides harvest boxes for the local community and beyond. At harvest time the children bring in food donations, which are packed into boxes and delivered by the children to vulnerable people in the local community. The school choir performs at different events within the local community and the school has a close relationship with the local Parish vicar (who regularly holds assemblies in the school). A Summer fete and Christmas bazaar are held annually that the whole community is invited to attend. There have also been coffee mornings for charity. The school has introduced curriculum events that focus on community engagement, for example our 'Fair Trade' cafes, which are well received and attended. We have also encouraged parents and carers to become more involved in their children's learning by inviting them in to take part in special curriculum focus weeks and also hold mini workshops.

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

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### **Trade union facility time**

No employees of RCPS were trade union officials during the period 1 September 2017 to 31 August 2018.

##### **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.

##### **Financial review**

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

The school's accounting period was from 1 September 2017 to 31 August 2018. The operations of the school as an academy began on 1 August 2011. Most of the school's income comes directly from the Education and Skills Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ending 31 August 2018 and associated expenditure are shown as restricted funds in the financial statements.

The academy received Pupil Premium grants totalling £42,565 and a Sports Grant of £18,060 both of which were spent in accordance with DfE guidelines. £69,210 of funding was received regarding the Nursery School set up and a grant of £1,250 was received from the Royal Opera House.

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

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

##### **Reserves policy**

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

At the balance sheet date, the charitable company had free reserves of £103,313 (2017: £127,635).

The governors have utilised a large proportion of the previous year's reserves to complete infrastructure improvements to the school's premises that were in a poor state of repair when inherited from the local authority. There has also been some additional necessary spending to provide staffing for interventions across the school. This was largely to support the learning of disadvantaged pupils who were in need of targeted interventions to fill in pre-existing gaps in their learning and accelerate their progress.

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

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### **Investment policy**

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

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

##### **Fundraising**

RCPS open the school at evenings and weekends for community groups and clubs in order to raise additional funds for the school. The main income generators for the period were Thames Primary Consortium, Toaist Tai Chi, Kids Company and Karate. The governors review and increase letting rates on an annual basis and regularly advertise the school premises for hire. The RCPS Business Manager monitors the income via the debtor control account which is also reviewed by the Headteacher each month.

We have an active parent association, FORS (Friends of Runwell School) who co-ordinate and run a number of fundraising activities for us over the school year. These events are well attended and raise a good amount of money for the school over the year. FORS make donations each year to subsidise the cost of the school residential visits, as well as help to fund projects in the school. This year, they have made contributions towards the ICT suite, the new school Library and the fitness equipment which was match funded from sports premium money.

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

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

#### **Strategic Report**

##### **Plans for future periods**

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

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

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

- To further develop the schools middle leadership in leading delivery of high quality CPD for staff.
- To develop a culture of action based research in school for trialling new initiatives in teaching and learning .
- To lead the school to achieve pupil outcomes which place us in the top quartile of schools nationally.

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

- To continue to improve the quality of teaching so that it is never less than good and a significant proportion is outstanding.
- To develop a 'live marking' policy to ensure that pupil feedback is well timed and immediately actioned.
- To engage in wider collaborative working opportunities to develop teacher pedagogy.
- To develop strategies to further enhance the impact of learning support in the classroom beyond interventions.

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

- To develop the inclusion agenda so that children with additional needs are well supported in the classroom.
- To more actively promote mental and physical wellbeing of children and staff.
- To develop a more consultative approach to managing behaviour across the school.

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

- To refurbish and extend the school office area.
- To actively seek external funding opportunities to help develop and improve the school environment.
- To continue to manage the expansion of school and ensure best value for money is achieved from all resources.

## Runwell Community Primary School Academy Trust

### Trustees' Report for the Year Ended 31 August 2018 (continued)

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

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

#### Professional Indemnity Insurance

In accordance with normal commercial practice, RCPS has purchased insurance to protect Governors and Officers from claims arising for negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £5,000,000.

The cost of this insurance is included in the total insurance cost for the period 1 September 2017 to 31 August 2018.

#### Auditor

In so far as the Trustees are aware:

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

#### Reappointment of auditor

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

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 11 December 2018 and signed on its behalf by:

  
.....  
Gill Hearsey  
Governor

# Runwell Community Primary School Academy Trust

## Governance Statement

### Scope of responsibility

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

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

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body, which includes the Audit Committee\*, met formally 8 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Jeremy Crook	6	8
Joanne Madders	8	8
Lynn Barwell	8	8
Christine Creek	6	8
Sharon Brooks	6	8
Gill Hearsey	7	8
Lisa Thompson	8	8
Yvonne Waterhouse	1	2
Melissa Cookson	6	8
Gemma Case	4	5
Sue Wise	7	8
Sasha Furze	7	8
Nicola Kelly	2	2
Daniel Jones	2	4
Joanne Grace	1	3

\*Audit committee - staff governors have no voting rights in this part of the meeting. They are not allowed to participate unless invited to and may be asked to leave the meeting.

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

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

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

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

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

#### Grounds Maintenance

Following a time of dissatisfaction with the Ground Maintenance company, RCPS decided to terminate the contract and employ a part time gardener dedicated to maintaining the school horticultural areas. This has been successful in financial savings as well as much improving standards around the outside areas of the school.

#### ICT Suite

During the year a new ICT suite was established within the school building saving the need to replace a large number of laptops in the future. The children have a better ICT learning experience being in the dedicated area. Although laptops are still available to use throughout the school, a smaller number of portable ICT equipment means they are easier to monitor and will not cost as much to replace in the future. The ICT suite consists of desktop computers which have a longer lifespan than portable equipment.

#### Digital Subscriptions

The school was spending a large amount on a range of digital subscriptions, which from surveying staff and pupils, we felt was not having the desired impact in terms of usage and outcomes. We reviewed all packages and cancelled a number of them, replacing them with software that enabled us to roll out whole school use and have a more targeted impact on educational outcomes. E.g. Online Library system and digital assessment tools. It is felt that these represent far greater value for money.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Runwell Community Primary School Academy Trust for the year ended 31 August 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 trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

## Runwell Community Primary School Academy Trust

### Governance Statement (continued)

#### The risk and control framework

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

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

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

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

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

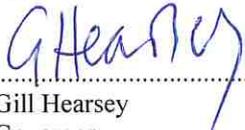
#### Review of effectiveness

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

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

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

Approved by order of the members of the Governing Body on 11 December 2018 and signed on its behalf by:

  
.....  
Gill Hearsey  
Governor

  
.....  
Sasha Furze  
Accounting Officer  
Head Teacher

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

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

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

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

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



Sasha Furze  
Accounting officer

## Runwell Community Primary School Academy Trust

### Statement of Trustees' Responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in 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 FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the trustees are aware:

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

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

Approved by order of the members of the Board on 11 December 2018 and signed on its behalf by:

  
.....  
Gill Hearsey  
Governor

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

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

#### **Opinion**

We have audited the financial statements of Runwell Community Primary School Academy Trust (the 'Academy') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its results 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **Other information**

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

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

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

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report (incorporating the Strategic Report and Trustees' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

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

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

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 18], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

## Runwell Community Primary School Academy Trust

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

146 New London Road  
Chelmsford  
Essex  
CM2 0AW

11 December 2018

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

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

In accordance with the terms of our engagement letter dated 23 January 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Runwell Community Primary School Academy Trust during the period 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 the Governing Body and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Governing Body and the 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 the Governing Body and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook extant from 1 September 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 from 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 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 trust's income and expenditure.

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

**Runwell Community Primary School Academy Trust**

**Independent Reporting Accountant's Report on Regularity to Runwell Community Primary School Academy Trust and the Education and 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 from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Stewart Martin

For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road  
Chelmsford  
Essex  
CM2 0AW

11 December 2018

## Runwell Community Primary School Academy Trust

### Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	50,598	46,523	97,121
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,274,619	-	1,274,619
Other trading activities	4	66,008	24,185	-	90,193
Investments	5	114	-	-	114
<b>Total</b>		<b>66,122</b>	<b>1,349,402</b>	<b>46,523</b>	<b>1,462,047</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	28,362	1,533,840	102,171	1,664,373
Net income/(expenditure)		37,760	(184,438)	(55,648)	(202,326)
Transfers between funds		(62,082)	60,438	1,644	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	204,000	-	204,000
Net movement in (deficit)/funds		(24,322)	80,000	(54,004)	1,674
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2017		127,635	(863,000)	2,645,451	1,910,086
Total funds/(deficit) carried forward at 31 August 2018		103,313	(783,000)	2,591,447	1,911,760

## Runwell Community Primary School Academy Trust

### Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2016/17 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	1,400	726,339	727,739
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,148,080	-	1,148,080
Other trading activities	4	52,440	20,747	-	73,187
Investments	5	131	-	-	131
<b>Total</b>		<b>52,571</b>	<b>1,170,227</b>	<b>726,339</b>	<b>1,949,137</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	24,430	1,311,415	58,097	1,393,942
Net income/(expenditure)		28,141	(141,188)	668,242	555,195
Transfers between funds		(60,738)	49,188	11,550	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	31,000	-	31,000
Net movement in (deficit)/funds		(32,597)	(61,000)	679,792	586,195
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2016		160,232	(802,000)	1,965,659	1,323,891
Total funds/(deficit) carried forward at 31 August 2017		127,635	(863,000)	2,645,451	1,910,086

## Runwell Community Primary School Academy Trust

(Registration number: 07673903)  
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	2,591,447	2,645,451
<b>Current assets</b>			
Stocks	12	4,680	4,756
Debtors	13	46,069	80,758
Cash at bank and in hand		162,582	157,537
		<u>213,331</u>	<u>243,051</u>
Creditors: Amounts falling due within one year	14	<u>(110,018)</u>	<u>(115,416)</u>
Net current assets		<u>103,313</u>	<u>127,635</u>
Total assets less current liabilities		<u>2,694,760</u>	<u>2,773,086</u>
Net assets excluding pension liability		2,694,760	2,773,086
Pension scheme liability	22	<u>(783,000)</u>	<u>(863,000)</u>
Net assets including pension liability		<u><u>1,911,760</u></u>	<u><u>1,910,086</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund		2,591,447	2,645,451
Restricted pension fund		<u>(783,000)</u>	<u>(863,000)</u>
		1,808,447	1,782,451
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>103,313</u>	<u>127,635</u>
Total funds		<u><u>1,911,760</u></u>	<u><u>1,910,086</u></u>

The financial statements on pages 24 to 47 were approved by the Trustees, and authorised for issue on 11 December 2018 and signed on their behalf by:

  
.....  
Gill Hearsey  
Governor

## Runwell Community Primary School Academy Trust

### Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	39,339	649,441
Cash flows from investing activities	18	<u>(34,294)</u>	<u>(737,988)</u>
Change in cash and cash equivalents in the year		5,045	(88,547)
Cash and cash equivalents at 1 September		<u>157,537</u>	<u>246,084</u>
Cash and cash equivalents at 31 August	19	<u>162,582</u>	<u>157,537</u>

# **Runwell Community Primary School Academy Trust**

## **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), judgements and key sources of estimation uncertainty, is set out below.

#### **Basis of preparation**

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

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

#### **Going concern**

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

#### **Income**

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

#### **Grants**

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

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

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

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1 Accounting policies (continued)

#### *Donations*

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

#### *Other income*

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

#### *Interest Receivable*

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

#### *Fund Accounting*

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

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

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

#### **Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

#### *Expenditure on raising funds*

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

#### *Charitable activities*

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

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1 Accounting policies (continued)

#### Tangible fixed assets

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

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

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

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

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

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

#### Liabilities

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

#### Provisions

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

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

#### Leased assets

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

# **Runwell Community Primary School Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

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

#### **Stock**

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

#### **Taxation**

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

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

#### **Pension benefits**

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

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

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

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

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

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1 Accounting policies (continued)

#### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note x, 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 31/08/2018. 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 Voluntary income

	Restricted funds £	Restricted fixed asset funds £	Total 2018 £	Total 2017 £
Capital grants	-	6,880	6,880	6,587
Other donations	50,598	39,643	90,241	721,152
	<u>50,598</u>	<u>46,523</u>	<u>97,121</u>	<u>727,739</u>

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

	Restricted funds £	Total 2018 £	Total 2017 £
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	1,011,057	1,011,057	941,180
Other DfE Grants	215,057	215,057	159,360
	<u>1,226,114</u>	<u>1,226,114</u>	<u>1,100,540</u>
<b>Other government grants</b>			
SEN Funding	44,653	44,653	39,001
Other local authority funds	3,852	3,852	8,539
	<u>48,505</u>	<u>48,505</u>	<u>47,540</u>
Total grants	<u>1,274,619</u>	<u>1,274,619</u>	<u>1,148,080</u>

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 4 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	30,379	-	30,379	29,447
Catering income	-	24,185	24,185	20,747
Trips and visits	18,525	-	18,525	15,121
Other sales	17,104	-	17,104	7,872
	<u>66,008</u>	<u>24,185</u>	<u>90,193</u>	<u>73,187</u>

### 5 Investment income

	Unrestricted funds £	Total 2018 £	Total 2017 £
Short term deposits	114	114	131

### 6 Resources expended

	Staff costs £	Premises £	Other costs £	Total 2018 £	Total 2017 £
<b>Academy's educational operations</b>					
Direct costs	887,694	-	56,607	944,301	812,735
Allocated support costs	356,299	241,661	122,112	720,072	581,207
	<u>1,243,993</u>	<u>241,661</u>	<u>178,719</u>	<u>1,664,373</u>	<u>1,393,942</u>
	<u>1,243,993</u>	<u>241,661</u>	<u>178,719</u>	<u>1,664,373</u>	<u>1,393,942</u>

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

	2017/18 £	2016/17 £
Operating leases - plant and machinery	1,134	795
Audit - Edmund Carr LLP	6,240	6,240
Other services - Edmund Carr LLP	560	560
Depreciation	<u>102,171</u>	<u>58,097</u>

## Runwell Community Primary School Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 7 Charitable activities

	Total 2018 £	Total 2017 £
<b>Direct costs - educational operations</b>		
Teaching and educational support staff costs	887,694	741,775
Educational supplies	44,762	54,403
Staff development	4,720	10,022
Educational consultancy	7,125	6,535
	<u>944,301</u>	<u>812,735</u>
<b>Support costs - educational operations</b>		
Support staff costs	232,299	212,421
Defined benefit pension scheme net cost	124,000	92,000
Depreciation	102,171	58,097
Maintenance of premises and equipment	93,905	60,636
Cleaning	6,145	5,860
Rent, rates and utilities	32,160	27,852
Insurance	7,280	8,075
Catering	29,547	27,584
Other support costs	92,565	88,682
	<u>720,072</u>	<u>581,207</u>
Total direct and support costs	<u><u>1,664,373</u></u>	<u><u>1,393,942</u></u>

## Runwell Community Primary School Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 8 Staff

##### Staff costs

	2018 £	2017 £
<b>Staff costs during the year were:</b>		
Wages and salaries	867,405	745,793
Social security costs	82,328	69,439
Pension costs	289,571	228,506
	<u>1,239,304</u>	<u>1,043,738</u>
Agency staff costs	4,689	2,458
	<u>1,243,993</u>	<u>1,046,196</u>

##### Staff numbers

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

	2017/18 No	2016/17 No
<b>Charitable Activities</b>		
Teachers	15	12
Administration and support	21	22
	<u>36</u>	<u>34</u>

##### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2018 No	2017 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

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

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

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

### **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

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

Sasha Furze (Head teacher):

Remuneration: £60,000 - £65,000 (2017 - £60,000 - £65,000)

Employer's pension contributions: £Nil (2017 - £Nil)

Christine Creek (Deputy Headteacher):

Remuneration: £45,000 - £50,000 (2017 - £45,000 - £50,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £5,000 - £10,000)

Joanne Madders (Finance Manager):

Remuneration: £25,000 - £30,000 (2017 - £15,000 - £20,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £0 - £5,000)

Lynn Barwell (Staff):

Remuneration: £10,000 - £15,000 (2017 - £10,000 - £15,000)

Employer's pension contributions: £0 - £5,000 (2017 - £0 - £5,000)

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

Gross pay £290,159

Employers pension contribution £32,101

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

#### **10 Trustees' and officers' insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £164 (2017 - £162).

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

## Runwell Community Primary School Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and fixtures £	Total £
<b>Cost</b>			
At 1 September 2017	2,898,170	44,727	2,942,897
Additions	<u>39,643</u>	<u>8,524</u>	<u>48,167</u>
At 31 August 2018	<u>2,937,813</u>	<u>53,251</u>	<u>2,991,064</u>
<b>Depreciation</b>			
At 1 September 2017	276,472	20,973	297,445
Charge for the year	<u>89,186</u>	<u>12,986</u>	<u>102,172</u>
At 31 August 2018	<u>365,658</u>	<u>33,959</u>	<u>399,617</u>
<b>Net book value</b>			
At 31 August 2018	<u>2,572,155</u>	<u>19,292</u>	<u>2,591,447</u>
At 31 August 2017	<u>2,621,698</u>	<u>23,754</u>	<u>2,645,452</u>

#### 12 Stock

	2018 £	2017 £
Classroom stock	<u>4,680</u>	<u>4,756</u>

#### 13 Debtors

	2018 £	2017 £
Trade debtors	20,445	31,492
Prepayments and accrued income	12,453	38,602
VAT recoverable	3,033	3,860
Other debtors	<u>10,138</u>	<u>6,804</u>
	<u>46,069</u>	<u>80,758</u>

## Runwell Community Primary School Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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

	2018 £	2017 £
Trade creditors	5,437	6,220
Other taxation and social security	44,734	36,929
Accruals and deferred income	17,572	13,371
Deferred income	42,275	58,896
	<u>110,018</u>	<u>115,416</u>
	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	58,896	78,536
Resources deferred in the period	42,275	58,896
Amounts released from previous periods	<u>(58,896)</u>	<u>(78,536)</u>
Deferred income at 31 August 2018	<u>42,275</u>	<u>58,896</u>

Included within deferred income is £30,845 (2017: £26,384) regarding free school meal funding for September onwards. The balance also includes £6,647 (2017: £0) relating to FEEE income for Autumn 2018 and the remaining balance of £4,783 relates to various miscellaneous items relating to September 2018 onwards.

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 15 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,011,057	(1,071,495)	60,438	-
Other DfE grants	-	215,057	(215,057)	-	-
SEN Funding	-	44,653	(44,653)	-	-
Other donations	-	3,680	(3,680)	-	-
Other local authority funds	-	74,955	(74,955)	-	-
	<u>-</u>	<u>1,349,402</u>	<u>(1,409,840)</u>	<u>60,438</u>	<u>-</u>
<b>Restricted fixed asset funds</b>					
Transfer from local authority on conversion	1,472,915	-	-	-	1,472,915
DfE/ESFA capital grants	1,169,396	46,523	(99,031)	1,644	1,118,532
Private sector capital donations	3,140	-	(3,140)	-	-
	<u>2,645,451</u>	<u>46,523</u>	<u>(102,171)</u>	<u>1,644</u>	<u>2,591,447</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(863,000)</u>	-	<u>(124,000)</u>	<u>204,000</u>	<u>(783,000)</u>
Total restricted funds	1,782,451	1,395,925	(1,636,011)	266,082	1,808,447
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>127,635</u>	<u>66,122</u>	<u>(28,362)</u>	<u>(62,082)</u>	<u>103,313</u>
Total funds	<u>1,910,086</u>	<u>1,462,047</u>	<u>(1,664,373)</u>	<u>204,000</u>	<u>1,911,760</u>

## Runwell Community Primary School Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 15 Funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	941,180	(990,368)	49,188	-
Other DfE grants	-	159,360	(159,360)	-	-
SEN Funding	-	39,001	(39,001)	-	-
Other donations	-	1,400	(1,400)	-	-
Other local authority funds	-	29,286	(29,286)	-	-
	<u>-</u>	<u>1,170,227</u>	<u>(1,219,415)</u>	<u>49,188</u>	<u>-</u>
<b>Restricted fixed asset funds</b>					
Transfer from local authority on conversion	1,472,915	-	-	-	1,472,915
DfE/ESFA capital grants	489,604	726,339	(58,097)	11,550	1,169,396
Private sector capital donations	3,140	-	-	-	3,140
	<u>1,965,659</u>	<u>726,339</u>	<u>(58,097)</u>	<u>11,550</u>	<u>2,645,451</u>
<b>Restricted pension funds</b>					
Pension reserve	<u>(802,000)</u>	<u>-</u>	<u>(92,000)</u>	<u>31,000</u>	<u>(863,000)</u>
Total restricted funds	1,163,659	1,896,566	(1,369,512)	91,738	1,782,451
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>160,232</u>	<u>52,571</u>	<u>(24,430)</u>	<u>(60,738)</u>	<u>127,635</u>
Total funds	<u>1,323,891</u>	<u>1,949,137</u>	<u>(1,393,942)</u>	<u>31,000</u>	<u>1,910,086</u>

## Runwell Community Primary School Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 15 Funds (continued)

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

The General Annual Grant (GAG) and other DfE/ESFA grants represent the core funding for the educational activities of the school that has been provided to an academy via the ESFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

The LGPS Deficit fund separately identifies the pension deficit inherited from the local authority upon conversion to academy status. This fund is where all the pension scheme movements are recognised.

The SEN funding represents grants received from Essex County Council in order to provide additional teaching resources to children with special educational needs. The cost of these teaching resources have been set against the income.

The DfE/ESFA capital grant income is an annual devolved capital grant received to assist the school with funding capital projects. All income has been shown in the SOFA this year and not deferred.

The transfer of £60,438 from unrestricted funds to restricted general funds is to eliminate the deficit. The transfer of £1,644 from unrestricted funds to the restricted fixed asset funds relates to the cost of capital items purchased in the year.

#### 16 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	2,591,447	2,591,447
Current assets	103,313	110,014	-	213,327
Current liabilities	-	(110,014)	-	(110,014)
Provisions	-	(783,000)	-	(783,000)
Total net assets	<u>103,313</u>	<u>(783,000)</u>	<u>2,591,447</u>	<u>1,911,760</u>

## Runwell Community Primary School Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 16 Analysis of net assets between funds (continued)

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	2,645,451	2,645,451
Current assets	127,635	115,416	-	243,051
Current liabilities	-	(115,416)	-	(115,416)
Pension scheme liability	-	(863,000)	-	(863,000)
Total net assets	<u>127,635</u>	<u>(863,000)</u>	<u>2,645,451</u>	<u>1,910,086</u>

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

	2017/18 £	2016/17 £
Net (expenditure)/income	(202,326)	555,195
Depreciation	102,172	58,096
Capital grants from DfE and other capital income	(13,760)	(13,175)
Interest receivable	(114)	(131)
Defined benefit pension scheme obligation inherited	124,000	92,000
Decrease/(increase) in stocks	76	(272)
Decrease/(increase) in debtors	34,689	(27,078)
Decrease in creditors	(5,398)	(15,194)
Net cash provided by Operating Activities	<u>39,339</u>	<u>649,441</u>

#### 18 Cash flows from investing activities

	2018 £	2017 £
Dividends, interest and rents from investments	114	131
Purchase of tangible fixed assets	(48,167)	(751,295)
Capital grants from DfE/EFA	6,879	6,589
Capital funding received from sponsors and others	6,880	6,587
Net cash used in investing activities	<u>(34,294)</u>	<u>(737,988)</u>

#### 19 Analysis of changes in net funds

	2018 £	2017 £
Cash at bank and in hand	<u>162,582</u>	<u>157,537</u>
Total cash and cash equivalents	<u>162,582</u>	<u>157,537</u>

## Runwell Community Primary School Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 20 Financial commitments

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

	2018 £	2017 £
Amounts due within one year	1,032	1,134
Amounts due between one and five years	166	1,198
	<u>1,198</u>	<u>2,332</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 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £10,471 (2017: £8,238) were payable to the LGPS scheme and £10,140 (2017: £9,403) were payable to TPS schemes at 31 August and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

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

### **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

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

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

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

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

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from April 2019.

The pension costs paid to TPS in the period amounted to £125,650 (2017: £105,525).

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

Under the definitions set out in Financial Reporting Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

##### **Local government pension scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £109,000 (2017 - £91,000), of which employer's contributions totalled £84,000 (2017 - £69,000) and employees' contributions totalled £25,000 (2017 - £22,000). The agreed contribution rates for future years are per cent for employers and per cent 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.

## Runwell Community Primary School Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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

##### Principal actuarial assumptions

	2018	2017
	%	%
Rate of increase in salaries	3.80	4.20
Rate of increase for pensions in payment/inflation	2.30	2.70
Discount rate for scheme liabilities	2.70	2.60
Inflation assumptions (CPI)	2.30	2.70
RPI increases	<u>3.30</u>	<u>3.60</u>

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

	2018	2017
<b>Retiring today</b>		
Males retiring today	22.30	22.20
Females retiring today	24.80	24.70
<b>Retiring in 20 years</b>		
Males retiring in 20 years	24.50	24.30
Females retiring in 20 years	<u>27.10</u>	<u>27.00</u>

##### Sensitivity analysis

	2018	2017
	£'000	£'000
Discount rate +0.1%	1,420.00	1,360.00
Discount rate -0.1%	1,491.00	1,429.00
Mortality assumption – 1 year increase	1,501.00	1,438.00
Mortality assumption – 1 year decrease	1,410.00	1,351.00
CPI rate +0.1%	1,486.00	1,421.00
CPI rate -0.1%	<u>1,425.00</u>	<u>1,367.00</u>

The academy trust's share of the assets in the scheme were:

	2018	2017
	£	£
Equities	428,000	346,000
Gilts	36,000	33,000
Other bonds	39,000	21,000
Property	60,000	51,000
Cash and other liquid assets	23,000	16,000
Other	<u>86,000</u>	<u>64,000</u>
Total market value of assets	<u>672,000</u>	<u>531,000</u>

## Runwell Community Primary School Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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

The actual return on scheme assets was £36,000 (2017 - £64,000).

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

	2017/18	2016/17
	£	£
Current service cost	124,000	144,000
Total amount recognized in the SOFA	<u>124,000</u>	<u>144,000</u>

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

	2017/18	2016/17
	£	£
At start of period	1,394,000	1,198,000
Current service cost	186,000	144,000
Interest cost	37,000	27,000
Employee contributions	25,000	22,000
Actuarial (gain)/loss	<u>(187,000)</u>	<u>3,000</u>
At 31 August	<u>1,455,000</u>	<u>1,394,000</u>

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

	2017/18	2016/17
	£	£
At start of period	531,000	396,000
Interest income	15,000	10,000
Actuarial gain/(loss)	-	(20,000)
Employer contributions	84,000	69,000
Employee contributions	<u>25,000</u>	<u>22,000</u>
At 31 August	<u>655,000</u>	<u>477,000</u>

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

### **Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)**

#### **23 Related party transactions**

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the period of account.

#### **Income related party transactions**

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

##### **Kids Company**

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

The trust let the school's classroom and hall facilities to Kids Company for breakfast, after school and holiday clubs throughout the year to the value of £7,563 (2017: £7,460.).

