

Registered number: 08316327

**St Edward's Church of England Academy Trust, Leek**

Trustees Report and Financial Statements

For the year ended 31 August 2017



**St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

**Contents**

---

	Page
<b>Reference and administrative details</b>	1 - 2
<b>Trustees' report</b>	3 - 17
<b>Governance statement</b>	18 - 22
<b>Statement on regularity, propriety and compliance</b>	23
<b>Statement of Trustees' responsibilities</b>	24
<b>Independent auditors' report on the financial statements</b>	25 - 27
<b>Independent reporting accountant's assurance report on regularity</b>	28 - 29
<b>Statement of financial activities incorporating income and expenditure account</b>	30
<b>Balance sheet</b>	31 - 32
<b>Statement of cash flows</b>	33
<b>Notes to the financial statements</b>	34 - 55

**St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

**Reference and Administrative Details  
For the year ended 31 August 2017**

---

**Members**

Church of England Central Education Trust  
Lichfield Diocesan Board of Education  
Rev N Irons  
Mrs C Simmonds

**Trustees**

Mr J Morton  
Rev N Irons<sup>1</sup>  
Mrs R Bell  
Mrs M Collier, Staff Trustee  
Mrs C Hall, Foundation Trustee (resigned 15 October 2017)  
Dr G Lewis (resigned 15 October 2017)  
Mr F Murray (resigned 15 November 2017)  
Mrs D Potts (resigned 5 May 2017)<sup>1</sup>  
Miss E Priestman (resigned 15 October 2017)  
Mr G Torr<sup>1</sup>  
Mrs B Tunnicliffe (resigned 4 July 2017)  
Mrs C Simmonds, Chair of Trustees<sup>1</sup>  
Mr D Forbes  
Mr A Peters (appointed 15 November 2016)<sup>1</sup>  
Mr C Goodwin (appointed 15 November 2016)  
Mr T Hutchinson, Principal and Accounting Officer (appointed 19 April 2017)<sup>1</sup>  
Dr R Fox, Interim Principal and Accounting Officer (appointed 1 January 2017,  
resigned 19 April 2017)<sup>1</sup>  
Mrs E Clarke, Principal and Accounting Officer (resigned 31 December 2016)<sup>1</sup>  
Mrs P Handforth, Staff Trustee (resigned 27 September 2016)

<sup>1</sup> Members of the Finance and HR Committee

**Company registered number**

08316327

**Company name**

St Edward's Church of England Academy Trust, Leek

**Principal and registered office**

Westwood Road, Leek, Staffordshire, ST13 8DN

**St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

**Reference and Administrative Details of the Academy, its Trustees and Advisers  
For the year ended 31 August 2017**

---

**Advisers (continued)**

**Company secretary**

Mrs S A Casey

**Senior management team**

Mrs E Clarke, Principal (Resigned 31 December 2016)

Mr J Parrish, Vice Principal

Mrs J Bell, Assistant Principal (Resigned 30 April 2017)

Mrs D Haydon, Assistant Principal

Mrs S Casey, Business Manager

Mrs R Rose, Lead Practitioner

Mr T Hutchinson, Principal (Appointed 19 April 2017)

Mr R Fox, Interim Principal (Appointed 1 January 2017, Resigned 19 April 2017)

Mr R Jervis, Assistant Associate Principal (Appointed 2 February 2017, Resigned 31 August 2017)

Mrs A Simpson, Assistant Associate Principal (Appointed 2 February 2017)

**Independent auditors**

Dains LLP, Suite 2, Albion House, 2 Etruria Office Village, Forge Lane, Etruria, Stoke on Trent, ST1 5RQ

**Bankers**

Lloyds Bank, Fountain Square, Hanley, Stoke-on-Trent, ST1 1JY

**Solicitors**

Browne Jacobson, 44 Castle Gate, Nottingham, NG1 7BJ

## **St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

### **Trustees' Report**

**For the year ended 31 August 2017**

---

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates as an Academy and has a pupil capacity of 768 and had a roll of 750 in the school census on the 5 October 2017.

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

#### **Constitution**

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

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of St Edward's Church of England Academy Trust, Leek are also the directors of the charitable company for the purpose of company law.

The charitable company is known as St Edward's Church of England Academy, Leek.

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

#### **Members' liability**

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

#### **Trustees' indemnities**

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.

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

Governors are sought with the approval of the Church Parish Council and by election in the case of parent and staff Governors.

The members shall appoint a minimum of 13 Governors to include:

1. The Incumbent who shall be a Governor ex officio;
2. Two individuals to be appointed by the incumbent in his or her capacity as Members in consultation with the Parochial Church Council of the Parish of Leek and Meerbrook;
3. Eight individuals to be appointed by the Lichfield Diocesan Academies Trust; and Lichfield Diocesan Academies Trust may not appoint an employee of the Academy Trust as a Governor if the number of Governors who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Governors.

## **St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

### **Trustees' Report (continued) For the year ended 31 August 2017**

---

The Members may appoint up to three Staff Governors through such process as they may determine. The Principal and the Incumbent shall be treated for all purposes as being ex officio Governors.

Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any questions of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governor which is contested shall be held by secret ballot. The arrangements made for the election of Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he/she prefers, by having his/her ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take steps as are reasonably practical to secure that every person who is known to them be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Governor the governing Body shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

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

During the year under review the Academy's Full Governing Body held 6 meetings and there were 3/4 meetings of its various committees. The training and induction provided for new Governors will depend on their existing experience. Diocesan governors are appointed in consultation with St Edward's Church, Leek to ensure that the persons are local and able to commit to the heavy workload/attendance required. Skills gaps on the governing body are considered in the appointment of new governors. Experience relevant to the roles is also a key factor in determining persons who may be approached to consider the role of governor. Some training this year has been attended by governors to develop their roles. Where necessary, an induction will provide training on charity and educational, legal and financial matters. All new Governors will be given a tour of the Academy and the chance to meet with staff and students. All Governors are provided, at an appropriate time, with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. A web area in the Learning Platform exists solely for the purpose of the Governors to allow them to focus on key documents, new changes and to keep up to date with minutes of meetings and other key information. The area has a discussion facility.

The Chair of Governor also shares with local Chairs of Governors from other schools in the LEP (Leek Education Partnership ) their ideas and mutual purposes.

An external review of Governance took place in September 2017 conducted by a National Leader of Governance Advocate.

#### **Organisational structure**

The Trustees will exercise their powers and function with a view to fulfilling a largely strategic leadership role in the running of the academy, addressing such key aims such as:

- policy development and strategic planning, including target-setting to keep up momentum on school improvement
- ensuring sound management and administration of the academy, and ensuring that managers are equipped with relevant skills and guidance
- ensuring compliance with legal requirements
- establishing and maintaining a transparent system of prudent and effective internal controls
- management of the academy's financial, human and other resources (in particular control over the spending identified in the academy's development plan)

## **St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

### **Trustees' Report (continued) For the year ended 31 August 2017**

---

- monitoring performance and the achievement of objectives, and ensuring that plans for improvement are acted upon
- helping the academy be responsive to the needs of parents and the community and making it more accountable through consultation and reporting
- maintaining the spiritual guidance of the Academy as a Church School
- setting the academy's standards of conduct and values
- assessing and managing risk

The day to day management of the Academy lies with the Principal and Senior Leadership team. The role of Accounting Officer lies with the Principal. Financial decisions are reviewed by the Governing Body.

#### **Arrangements for setting pay and remuneration of key management personnel**

Salary for the Principal is set by the Principal's Pay committee (a group of 3 Trustees) which in conjunction with an external advisor reviews the objectives and targets set for the previous year and salary for the coming year based on this review. The recommendation is then made to the Finance and HR Committee who are able to accept or reject the outcome. The Senior Leadership Team and all other staff have a set of targets that are set in the beginning of the Academic year related to the School Development Plan. The success of these is measured by the Principal but there is a sample analysed by a panel of Governors. The final approval again must go to the Finance and HR Committee.

The Trustees have no remuneration other than the expenses as detailed in the Academy Financial Handbook. These expenses are scrutinised with all auditing and account monitoring using the scheme of delegation.

#### **Related Parties and other Connected Charities and Organisations**

The Academy is linked with CECET, Entrust and Staffordshire County Council and also with the Parents and Friends of St Edwards. CECET offers SLA (Service Level Agreement) options and support through and SLA for the Church and spiritual function of the Academy. The Parents and Friends Association raise funds through charitable activities on the school premises to support the work within the school for added items for Faculty budgets and also to subsidise trips for pupils. The school operates within an educational partnership namely 'Leek Education Partnership' with 17 other schools with a financial commitment of a £3.00 per head for pupils on roll. This allows for shared teaching and learning activities and work on unifying provision across all school in the Partnership. A collaboration agreement exists with the Talentum Learning Trust, but this involves only shared support and no exchange of monies. However contract negotiation has taken place to share and reduce costs.

In respect of the current year, the academy trust has the following relationships:

- Work has been commissioned from 'Perform in Education' a company connected with one of the governors as reported where the work commissioned is by the sister of governor who is also an associate of the same company
- Academicis, a recruitment firm has also been utilised to locate suitable candidates for both the interim and substantive Principals to the Academy
- Academicis and Engage Education have been used to locate suitable candidates for vacant posts within the Academy teaching structure
- Painsley Catholic College Teaching School Alliance

## **St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

**Trustees' Report (continued)  
For the year ended 31 August 2017**

---

### **Objectives and Activities**

St Edward's Church of England Academy, Leek aspirations of 'Learn for Life' are reflected in the culture and ethos of the Academy. Our community is built upon a Christian ethos which promotes sensitivity, tolerance and the appreciation of difference; at the heart of our work is the lifelong education of the young people in our care to the best possible outcome. To this end the activities provided include:

- Tuition and learning opportunities for all pupils to attain successful outcomes
- Training opportunities and sharing of good practice for all staff designed to improve effectiveness and enhance career progression
- A programme of sporting and after school leisure activities for all students
- Involvement in a large range of activities/experiences beyond the framework of the classroom and links with the community and Church and international experiences

### **Objects and aims**

#### **The Vision for Education within a Church of England Academy**

There are fundamental reasons, rooted in the Bible, which have motivated centuries of Christian involvement in schooling in this country and around the world. The God of all creation is concerned with everything related to education.

There is a fresh articulation of the Church of England's vision for education as we meet the challenges and take the opportunities offered by the present situation. It is not simply for Church schools but, recognising the Church of England's involvement in education over many centuries, seeks to promote educational excellence everywhere, for everyone. In Church schools like St Edward's Church of England Academy, the deeply Christian foundation for this vision will be seen explicitly in teaching and learning both in RE and across the curriculum, and also in the authentically Christian worship and ethos. The Church's vision for education can be expressed and promoted as one of human flourishing that inspires what the school is and does.

The vision is deeply Christian, with the promise by Jesus of 'life in all its fullness' at its heart. This vision embraces the spiritual, physical, intellectual, emotional, moral and social development of children and young people. We offer a vision of human flourishing for all, one that embraces excellence and academic rigour, but set them in a wider framework. This is worked out theologically and educationally through four basic elements which permeate our vision for education:

- Wisdom
- Hope
- Community
- Dignity

The vision, in line with the Church of England's role as the established Church, is for the common good of the whole human community and its environment, whether national, regional or local. It is hospitable to diversity, respects freedom of religion and belief, and encourages others to contribute from the depths of their own traditions and understandings. It invites collaboration, alliances, negotiation of differences, and the forming of new settlements in order to serve the flourishing of a healthily plural society and democracy, together with a healthily plural educational system.

## **St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

**Trustees' Report (continued)  
For the year ended 31 August 2017**

---

### **St Edward Church of England Academy Ethos and Values**

St Edward's Church of England Academy, Leek has a clear ethos and values that underpin all that it does which are based upon the teachings of Jesus Christ.

Our ethos and values are encompassed in the word RESPECT.

Each letter within this word hold further meaning and are central to what we believe our Academy and the community it serves stand for and strive to live out in as we fulfil the Academy motto:

#### **'Learn for Life'**

- Recognise and Encourage - everyone's potential, individual skills and talents
- Strive to be the best we can be
- Prepare for the challenges of life
- Empathise - promoting the values of respect, kindness, compassion, fairness, forgiveness, love, honesty and trust
- Christian – a community where we learn from the teachings of Jesus so that we can contribute to the family of St Edward's and beyond
- Teamwork – an environment where we work together so we can all achieve our potential

#### **Objectives, strategies and activities**

The strategic goals of the academy trust are:

To provide high quality education provision for all within the Academy that improve the outcomes of all of our pupils. This will be achieved by providing appropriate and proportionate support and challenge each academy within the academy trust. There will be a focus on:

- Establish and monitoring a system of governance through effective academy committee
- Providing robust intervention to support school improvement
- Provide the highest quality of education for all pupils
- Developing collaborative curriculum activities to support key skill development, increasing independence and vocational/work-related learning
- Develop a culture of leadership and leadership coaching within the Academy
- Developing monitoring and evaluating strategies and procedures that will drive school improvement
- Supporting the procurement of best value central services
- Collaboratively sharing and supporting best practice
- To provide robust Governance leading to rapid school improvement

#### **Public benefit**

The trustees confirm that they have referred to the guidance contained in the Charity Commissioner 's general guidance on public benefit when reviewing that St Edwards Church of England Academy, Leek's objective and aims and in planning future activities for the period. The trustees consider that St Edwards Church of England Academy, Leek can clearly demonstrate that its aims are to advance education for public benefit.

## Strategic report

### Achievements and performance

#### Objective:

To improve the outcomes for all pupils with specific focus on Year 6 SATS results and those pupils who are disadvantaged and or have additional needs. And to move out of the coasting category.

#### What we did:

A new Principal was appointed in January 2017 and took up post in April 2017. In the interim period, Dr R Fox led the Academy in an interim Principal capacity. The following were implemented to meet the objective:

- Booster sessions for pupils who required additional support.
- 1:1 reading sessions for all pupils who were had not reached their age related reading expectation.
- Additional sessions during holidays and after school.
- Faculty moderation and collaborative planning within Maths and English Faculties to ensure quality first teaching.

#### Breakdown of results: Headlines

Year 6 SATS results for 2016-17 have presented clear improvements in many areas examined. A key focus for the Academy was to improve the outcomes of progress and attainment to move out of the coasting measure applied to the Academy in 2017. Below is the definition of this measures for primary phase pupils.

#### **Coasting schools definition**

The Education and Adoption Act 2016 allows the Department to identify, support and take action in coasting schools for the first time. These are schools where, over time, pupils do not fulfil their potential.

In January 2017 the Department published regulations setting out a three year definition of coasting based on the same performance measures that underpin the floor standards. This year a primary school will fall within the coasting definition if:

In 2014 fewer than 85% of pupils achieved level 4 in English reading, English Writing and mathematics and below the national median percentage of pupils achieved expected progress in all of English reading, English writing and mathematics;

In 2015 fewer than 85% of pupils achieved level 4 in English reading, English Writing and mathematics and below the national median percentage of pupils achieved expected progress in all of English reading, English writing and mathematics,

In 2016 fewer than 85% of pupils achieve the expected standard at the end of primary schools and average progress made by pupils is less than -2.5 in English reading, -2.5 in mathematics or -3.5 in English writing

St Edwards Church of England Academy 2016-7 current data shows that under the current measure we are still a 'Coasting' School by definition.

Progress in 2017 in reading: -2.79 (This element will place the Academy in the coasting measure)  
Progress in 2017 in writing: -0.90  
Progress in 2017 in maths: -1.79

Table 1: KS1 to KS2 Progress by sub group

KS1 to KS2 Progress: Key Groups								
	Cohort		Reading		Writing		Maths	
	No	%	No.	Ave	No.	Ave	No.	Ave
All Students	172	100%	171	-2.79	171	-0.90	171	-1.79
Male	86	50%	85	-2.61	85	-1.57	85	0.05
Female	86	50%	86	-2.97	86	-0.23	86	-3.61
<b>Gender Gap</b>	-	<b>0%</b>	-	<b>0.36</b>	-	<b>1.33</b>	-	<b>3.66</b>
Disadvantaged (PPI)	27	16%	26	-3.46	26	-3.05	26	-2.07
Not Disadvantaged	145	84%	145	-2.67	145	-0.51	145	-1.74
<b>PPI Gap</b>	-	<b>69%</b>	-	<b>0.79</b>	-	<b>2.54</b>	-	<b>0.34</b>
CLA	2	1%	2	-3.93	2	-2.84	2	-0.12
FSM	22	13%	21	-3.49	21	-3.71	21	-2.19
Low KS1APS <2	5	3%	5	-7.54	5	1.20	5	-11.6
Middle KS1APS =2	102	59%	102	-3.22	102	-0.86	102	-1.83
High KS1APS >2	64	37%	64	-1.73	64	-1.13	64	-0.96
EAL	1	1%	1	-3.95	1	2.05	1	-2.38
<b>EAL Gap to all</b>	-	<b>99%</b>	-	<b>1.16</b>	-	<b>2.95</b>	-	<b>0.59</b>
SEN E	0	0%	0		0		0	
SEN S	0	0%	0		0		0	
SEN K	8	5%	8	-7.86	8	-7.95	8	-4.32

Average Scaled Score	Reading	GPVS	Maths
School	103	104	104
National	104	106	104
Difference	-1	-2	0

SEN all	8	5%	8	-7.86	8	-7.95	8	-4.32
Not SEN	164	95%	163	-2.54	163	-0.55	163	-1.66
<b>SEN Gap</b>	-	<b>91%</b>	-	<b>5.32</b>	-	<b>7.40</b>	-	<b>2.66</b>
Non-Mobile	0	0%	0		0		0	
Autumn Born	51	30%	51	-2.90	51	-1.21	51	-1.85
Spring Born	46	27%	46	-3.00	46	-0.23	46	-2.26
Summer Born	75	44%	74	-2.58	74	-1.10	74	-1.45
Ethnicity								

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Trustees' Report (continued)  
For the year ended 31 August 2017

**Year 8 Exit Data**

Year 8 TA					
	Mastery	Securing	Developing	Entering	Below ARE
Reading					
Whole school	16.75%	50.76%	18.78%	4.57%	4.57%
Writing					
Whole school	4.79%	53.72%	26.59%	10.11%	4.79%
Maths					
Whole school	21.28%	57.9%	5.93%	5.32%	9.57%

**Year 8 external marked tests**

English– GL assessment	92% met standard or exceeded for end of Year 8	Level 5 or above previous equivalent
Maths GL assessment	84% met or exceeded standards for end of Year 8	Level 5 or above previous equivalent

**Average Scaled Scores**

The average scaled scores (Table 2) show slight underperformance against national in reading and GPVS. Maths made the national figure. However due to an above average cohort on intake analysis of the reasons for both subjects not being higher need to be investigated.

**Results narrative and sub groups and areas for improvement**

Case Study Successes

- Substantial improvement in Maths attainment and progress
- Substantial improvement in writing with attainment and progress increasing by 10% from 5% to 15% of pupils achieving the High Standard. A 14% increase from 68% to 82% increase of pupils achieving the expected standard and progress increase by +3.42 from -4.32 to -0.9
- Low Ability students made the most progress in Writing measuring 1.2
- 100% of high ability students achieved expected standard in writing with 36% achieving the higher standard.
- No gap between PP and Non PP in the expected standard in reading.
- Pupil premium pupils in Maths outperform non pupil premium pupils: 84% Secure+ PP achieved expected standard compared to 79% Secure+ non PP.

Focus Areas for further academic improvement

There are several areas of concern that need to be focused upon in 2017/18 as a priority for the Academy. These are outlined below:

- Focus to maintain on improve progress and attainment for all pupils with specific focus on
  - SEND pupils
  - Pupil premium pupils especially 12% gap in writing
  - High Ability learning from all sub groups
  - Boys in reading
  - Boys in GPVS
  - Girls in Maths

## St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

### Trustees' Report (continued) For the year ended 31 August 2017

---

- A key focus area is all pupils who are 90% PA (Persistent Absenteeism).
- Focus on the match up of pupils to achieve the combined English and Maths measure
- Robustness of predictions and triangulation/moderation of data through the year needs to be improved so that support can be apportioned to the correct groups accurately and in a timely manner.

#### Leadership and Management:

##### Objectives

To ensure that Governance, Senior and Middle Leadership are developed to ensure robust challenge, accurate judgment and the development of a leadership culture across the Academy.

##### What we did?

The following actions were carried out to meet this objective:

##### In terms of Governance

- All Governors undertook a performance management activity
- The Chair and Vice Chair began a course on Governor Leadership
- A National Leader of Governance completed a full Governance review and provided a new structure to be implemented with updated documentation.

##### In terms of Senior and Middle Leadership:

- A new Principal was appointed from Easter 2016/17: Mr T Hutchinson
- A staff restructure took place where Middle Leadership roles were created as Faculty Leaders to replace the previous Leaders of Learners, a Leader of Pupil Engagement (to subsume the Progress Leaders) who oversees the House System including the House Leaders and the Inclusion Officer
- SLT restructure will begin in January 2018
- SSAT (Specialist schools and Academies Trust) was approached to develop a programme of middle leadership training for all newly appointed middle leaders as well as any members of SLT and or other staff that wish to partake. This provision is to ensure that a culture of leadership is developed across the Academy to ensure rapid school improvement
- Collaboration with the Silk Alliance: Fallibroome Academy has been instigated with regard to support where the Principal and Vice Principal are working with the Head of School and other Senior Leaders at Fallibroome to analyse and review the Leadership programme that is used there

#### External Reviews

##### Objectives

External reviews have taken place across key areas of the Academy to ensure clear insight in to areas of strength, areas for development and a direction is developed.

##### Pupil Premium/Sports Premium/Catch up Funding Review:

A review of these areas was conducted by a Senior Consultant from B11 Educational Consultants. This has guided how these funds have been allocated for 2017 18 and beyond.

##### SENCO/AEN Development and Support:

A review of these areas was conducted by a Senior Consultant from B11 Educational Consultants. An action plan has been created from this report and AEN provision has been brought back into classrooms under a more inclusive pedagogy. A Senior Leader has been provided with the opportunity to undergo the SENCO qualification. Once completed the training elements of this course at the University of Chester SENCO accreditation will be received.

## St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

### Trustees' Report (continued) For the year ended 31 August 2017

---

#### Website Review:

The Academy website has been reviewed. Key elements including all policies have been reviewed and the website is now compliant.

#### **Personal Development Behaviour and Welfare:**

##### Objectives:

To ensure that all elements of pastoral care and pastoral KPIs are improved and provided outstanding support for all learners.

##### What we did?

We restructured the Pastoral staffing provision within the Academy and implemented a House System. This included a new Middle Leadership role, 3 new non-teaching House Leaders, and an Inclusion Officer.

As a foundation for this policies linked to this area were reviewed and refreshed for example Attendance policies and protocols.

##### Impact

##### **Attendance**

- Attendance is monitored every week as the academy. Attendance is currently at 96.4% (9 Dec 2017) compared to 2016-17 whole year attendance at 95.4 %. At this point in December 2016-17 attendance stood at 93.02% showing a 3% improvement comparatively.
- Year 5 Attendance: 97.4%
- Year 6 Attendance: 96.6%
- Year 7 Attendance: 96.2%
- Year 8 Attendance: 95.9%

##### **Persistent Absenteeism**

- 2016/17 Academy: 11% NA 8.8% LAA (Local Authority Average) 14%
- Current Year 2017-18 – 8.7% year to date if 'G' code (holiday code) pupils are removed this reduces to 5.3%. LAA is 14%
- Currently:
  - 70 pupils on our record as PA 90, this includes pupils with reasonable reason for absence. 6 of these 70 pupils are no longer with us, however are still on our attendance figures
  - 1 pupil on a part time table
  - 31 pupils have 'reasonable reason' for their absence i.e. holidays, hospital appointments, health issues
  - 54 of the 64, PA 90 pupils we have are currently improving. 10 pupils will be receiving either an attendance letter or clinic before the end of the term.
- There is an improving trend of attendance and reducing persistent absenteeism. This academic year the academy has managed attendance in house and it is making a greater impact. The increase in attendance and reduction in PA is due to a robust system which includes, first day calling, communication with parents, meetings with attendance and prosecution (staff and parents) and attendance across the academy is monitored by governors and is given the highest priority
- 2 families were issued with a 20-day notice to improve, attendance did improve following this so the case was subsequently closed without going to court.
- School has held 30 attendance clinic meetings in the autumn term with the support of the Education Welfare Officer with parents of Persistently Absent pupils. These pupils do not meet the criteria for a referral to be made however school decided to take further action at school level

## St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

### Trustees' Report (continued) For the year ended 31 August 2017

---

#### Behaviour

- The academy has carried out 4 fixed term exclusions and 1 permanent exclusion this academic year, for a total of 4 pupils. The fixed term exclusions were for between 1- 5 days and was for consistent disruption, truancy, verbal and physical aggression towards pupils and staff
- The permanent exclusion was due to violence towards a senior member of staff after consistent poor behavior. The impact of this permanent exclusion has meant the behaviour of the academy classes has improved
- Behaviour across the academy is generally outstanding and as part of our drive to improve this further and move to a positive behavior culture the behaviour policy will be reviewed in the spring term to include much more praise
- House Points starting from September to end of the week commencing 4 December:
  - Nightingale House : 7255
  - Newton House : 6945
  - Elgar House : 6900
- Letters that the Principal has had to write in response to complaints have also reduced. From May-July 2017 the Principal has recorded 45 compared to autumn term 2017 the Principal recorded 21 complaints.
- There have been 2 incidents of 'bullying'. With 8 other incidents that were investigated in line with the Anti Bullying Policy
- The Principal has dealt with 0 incidents of racism

#### Key performance indicators

##### Ofsted inspection outcomes

- Ensure that the Academy is at least good in all aspects of its provision by its next Inspection

##### SATS results

- Progress for Year 6 English and Maths measures are 0 or better for all learners
- Diminish differences between Disadvantaged and Additional needs learners and the total cohort
- Ensure that 85% floor measure for English and Maths combined is attained across the Academy
- Exceed national averages within the individual elements of the English and Maths measures
- Ensure that Year 8 pupils achieve their PAG targets on exit from the Academy

##### Pupil attendance data and pupil recruitment data

- Attendance target is 97%
- PA 90 Below 8.8% National Figure
- Ensure that Academy meets PAN (Pupil Admission Number) in Year 5 2018-9
- Recruit pupils to other year groups to ensure Academy meets total PAN.

##### Pupil/teacher contact time

- Ensure that current uplifts are maintained for English and Maths and that subject specialist teaching takes place across then Academy at all Key Stages.

##### Average class size

- Ensure and maintain this figure does not exceed 32 pupil per class

##### Percentage of income spent on staffing split between teaching and support staff

- Currently 78% this figures needs to be reduced to 75%.

##### Percentage of income spent on non-staffing costs

- Ensure this increases to a minimum 25%

## St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

### Trustees' Report (continued) For the year ended 31 August 2017

---

#### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate trust 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 Accounting Policies.

The Academy is also monitored through the completion and submission of returns to the EFSA:

- August Account Return
- The Financial Plan for the period 2016- to 2017 to the EFSA
- Health Audit Checks

#### Financial review

Income for the period was £3,326,517 of which £2,838,173 was provided by the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) by means of standard grants to cover operational and capital costs. This was supplemented by other ESFA revenue grants including £151,942 Pupil Premium, £9,825 Primary PE Grant and £19,908 Year 7 Catch up grant. Other education governments grants included £79,644 to support Additional Needs across the curriculum and £11,700 of LA pupil premium.

Other funding streams included £20,815 capital grants, third party lettings to the value of £10,289, Solar Panel income to the value of £6,017 and funds generated by the sale of other goods and service which totalled £7,441. The total value of other trading activities totalled £84,881. A Conditional Improve Fund grant was submitted, but was declined.

All expenditure supports the academy trust key objectives to deliver quality education to our pupils and community. Expenditure for the period was £3,641,833 with the largest element of this expenditure being attributed to staff costs totalling £2,914,928 for the period. The depreciation charge on assets of £60,529 has been included.

Staffing costs have been significantly higher this year due to the number of long term sickness absences, redundancy costs and Principal recruitment fees. Operational staffing costs make up 82% of the total operational expenditure compared to 80% in 2016. Significant elements of non-pay expenditure include £72,000 for cleaning costs, £90,000 for maintenance of premises and equipment, £53,000 for insurances and £42,000 for heating and lighting. A full analysis of expenditure can be found in notes 6 to 9

The academy trust element of the Local Government Pension fund that forms part of the Local Government Pension Scheme was valued at 31 August 2017, showing a net deficit of £1,272,000.

As at 31 August 2017, the net book value of fixed assets was £1,383,031 and the movement in tangible fixed assets are shown in note 13 of the financial statements. The assets were used exclusively in providing education and the associated support services to the pupils across the academy trust. During the year £72,779 of additional fixed assets.

The total amount of cash held at the bank on the 31 August 2017 totalled £1,126,968.

The academy trust complies with the principles of financial control as outlined in the Academies Financial Handbook and the Accounts Direction. The financial procedures and Scheme of Delegation together with systems of financial control ensure that the academy trust conforms to the requirements of propriety, regularity and sound financial management.

## **St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

### **Trustees' Report (continued) For the year ended 31 August 2017**

---

The board of trustees are accountable for the allocation of resources to meet the objectives set out in the School Development Plan. The Accounting Officer together with the Finance and HR Committee is responsible for reviewing the Financial Procedures on an annual basis and recommending approval to the main board of trustees. The intention is for individual academy budgets to be monitored on a monthly basis with reports and commentary on income and expenditure against budget provided to the Finance and HR Committee on a twice termly basis and to the board of trustees on a termly basis.

#### **Reserves policy**

Any reserves held are in accordance with the requirements laid down in the Master Funding Agreement and by the Education & Skills Funding Agency. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them to commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements, especially to buildings repair not covered by insurance. The board of trustees identify capital projects on an annual basis and reserves are reviewed alongside this exercise. The board of trustees will review the level of reserves and reserves policy annually.

As at 31 August 2017 the academy trust has reserves of £865,272 comprising £319,719 of general restricted funds, £1,417,601 of restricted fixed assets fund, £399,952 of unrestricted general funds and a pension deficit of £1,272,000.

The academy's balances will be used to support the infrastructure of the school namely a covered sports area, in addition to financially supporting the following Condition Improve Fund application namely; heating system replacement and kitchen refurbishment.

#### **Investments policy**

The investment policy supports the reserves policy. The academy trust seeks to adopt a cautious, prudent and well-diversified investment stance taking into account future cash flow projections to balance potential returns with appropriate levels of risk whilst attracting as high an interest returns as possible.

The academy trust ensures that performance is managed against appropriate benchmarks for the investment types held. The return on investment for the period totalled £774 compared to £1,159 in the previous year. This return on investments were generally in line with benchmarks with the reduction compared to the prior year being the low market interest rates currently available.

#### **Principal risks and uncertainties**

A review of the principal risks highlights the financial risk involved in the reliance on Government funding and the limited influence of the academy trust on the level and future of this funding.

The deficit on the Local Government Pension Scheme of £1,272,000 presents a concern. However, Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of academy closure, outstanding local government pension scheme liability would be met by the Department for Education. This guarantee came into force on 18 July 2013.

The Academy continues to undertake further work during the year to develop and embed the systems of internal control, including financial, operational and risk management which is designed to protect the Academy's assets and reputation. The implementation of PS Financial in September 2017 will also help to plan for future financial variations and scenarios.

The Risk Management Strategy of the Academy complies with risk management best practice and with the requirements of both the Turnbull Guidance and the HM Treasury guidance contained in publication "Management of Risk – Principles and Concepts". At St Edward's risk management is embedded in our on-going risk management processes.

## **St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

### **Trustees' Report (continued)**

**For the year ended 31 August 2017**

---

The objectives for managing risk across St Edward's Academy are:

- To comply with risk management best practice, including the Turnbull guidelines
- To ensure risks facing the Academy are identified and appropriately documented through the risk register
- To provide assurance to the Governing Body that risks are being adequately controlled, or identify areas for improvement
- To ensure action is taken appropriately in relation to accepting, mitigating, avoiding and transferring risks

The Academy's Risk Management strategy aims to:

- Outline the roles and responsibilities for risk management.
- Identify risk management processes to ensure that all risks are appropriately identified, controlled and monitored
- Ensure appropriate levels of awareness throughout the Academy

### **Plans for future periods**

#### **Future developments**

- Restructure the Senior Leadership Team
- Restructure the Support Staff within the Academy
- To develop a new assessment model that is fit for purpose
- To ensure that all teaching in the Academy is good or better.
- Improve the outcomes for all learners particularly those in receipt of Pupil Premium, Additional Needs and High Ability pupils
- To review and create an action plan for the renewal and development of the ICT infrastructure within the Academy.
- To review and redevelop the Academy website
- To undertake a Stakeholder Engagement project to develop clear lines of communication with all stakeholder groups
- To develop the culture of leadership within the Academy
- Review and create a positive behaviour culture and linked documentation for the Academy
- To develop the Christian ethos of the Academy working closely with local Churches and Lichfield Diocese
- To coordinate successful transition for pupils into and out of the Academy working across the LEP
- To develop the range of extra-curricular activities that all pupils have access to
- To examine alternative funding from external sources including the use of the school site to provide a finance stream
- Development of a sports/covered area to alleviate space within the Hall
- Development utilising CIF funding for the kitchens and boilers/heating system
- To examine the future of the school as a stand-alone academy
- To ensure that Governors are trained and able to support the Academy in their leadership role.
- To achieve a good or better judgement at the next Ofsted inspection.

#### **Funds held as custodian**

No funds are held as custodian on behalf of others.

**St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

**Trustees' Report (continued)**  
**For the year ended 31 August 2017**

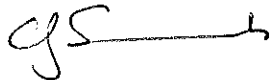
---

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2017 and signed on its behalf by:



**Mrs C Simmonds**  
**Chair of Trustees**

## St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

### Governance Statement

---

#### Scope of Responsibility

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

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

#### Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Morton	6	6
Rev N Irons	4	6
Mrs R Bell	5	6
Mrs M Collier, Staff Trustee	5	6
Mrs C Hall, Foundation Trustee	6	6
Dr G Lewis	6	6
Mr F Murray	3	6
Mrs D Potts	4	4
Miss E Priestman	6	6
Mr G Torr	6	6
Mrs B Tunnicliffe	2	4
Mrs C Simmonds, Chair of Trustees	6	6
Mr D Forbes	5	6
Mr A Peters	4	6
Mr C Goodwin	5	6
Mr T Hutchinson, Principal and Accounting Officer	2	2
Dr R Fox, Interim Principal and Accounting Officer	1	1
Mrs E Clarke, Principal and Accounting Officer	3	3
Mrs P Handforth, Staff Trustee	1	1

There have been changes to the governors since Sept 2016. Three governors have resigned. The Principal changed and was replaced with an Interim Principal prior to the appointment of the substantive Principal in April 2017. There have been no major challenges for the Board, only seeking to recruit a new Principal. The bid for this year for one ClF grant was unsuccessful.

The Governors have undergone an external review of Governance carried out by a National Leader of Governance and a new structure of committees and number of governors will be adopted in for the year 2017/18. The governors have sought to increase their engagement with parents by the clear contact via the website and also through attendance at all parental events within the life of the school. They have also conducted numerous interviews to support their monitoring.

## St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

### Governance Statement (continued)

---

'Governors are proud of the school and are committed to providing the best possible education for the pupils who attend. They are clear about the school's strengths and weaknesses and visit it regularly to get first-hand information about the quality of teaching and pupils' progress. They take part in learning walks, interview staff and pupils, look at pupils' work and gain parents' views through speaking to them and using questionnaires. They have taken part in extensive training, including on safeguarding and safer recruitment procedures. They are very aware of their role in ensuring the health and safety of pupils in school, including the requirements to promote British values of tolerance and respect.

Governors have a good understanding of what published data says about the school's performance and receive regular updates on pupils' progress from the presentations from the Principal and other senior staff. They know how the pupil premium and sports funding are being spent and the difference they are making.

Governors oversee the systems for managing staff performance well. They set exacting targets for the Principal and senior staff, and make sure that salary increases are linked to staff meeting targets.

Governors monitor finances closely to ensure that the school gets best value when purchasing goods and services.'

This year the governors conducted a further review with the support of an external provider to assess the functions and role of governors and working with the Academy leadership team. Additional work will be facilitated on the workings of governance for the coming year. A new Principal will make this an essential part of their new role.

The Finance and HR Committee is a sub-committee of the main board of trustees. Its main aim is to ensure the efficient financial direction of the Academy. Issues dealt with this year have included application for a capital grant, the further review of the appraisal system of staff and implementation of pay policy, changes to staffing. The Finance committee serves as the audit committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs E Clarke	1	1
Mrs C Simmonds	3	3
Mr R Fox	0	1
Mr T Hutchinson	0	1
Rev N Irons	2	3
Mr A Peters	2	3
Mrs D Potts	1	2
Mr G Torr	3	3

### Review of Value for Money

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

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

Governors and management will apply the four principles of best value:

**Challenge** - the school performance, services provided and take into account the views of the parents

**Compare** - how does performance compare with other schools both financially and academically

**Consult** - how does the school seek the views of the stakeholders regarding the provision of services

**Compete** - how does the academy secure efficient and effective service for both quality and cost.

## **St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

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

---

The governors will apply best value for decisions when considering:

- The allocation of resources to best promote the aims and values of the academy
- The targeting of resources to best improve standards and quality of provision
- The use of resources to best support the various educational needs of all pupils

### **Financial governance and oversight**

The Academy's Governing Body has strong oversight of the financial management of the budget.

The review of systems over the year has been informed by:

- The work of the external auditor
- The work of the Entrust Joint Finance Unit
- The work of the audit committee and external audit reviews
- The work of senior leaders within the Academy trust who have responsibility for the development and maintenance of the internal controls

The systems of internal financial control are based on a framework of regular information and procedures involving segregation of duties, system of delegation and accountability, challenge and rigour in decision making through the governing body.

These methods include:

Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of governors and annually by the trustees.

Regular reviews by the Finance Committee of budgetary reports which indicate financial performance against forecasts and purchasing plans, capital works and expenditure programmes.

Clearly defined purchasing policies and procedures.

### **Identification and management of risks, specific examples of value for money changes include:**

- Focus on use of external testing to verify the entry and exits points for pupils with regard to English and maths in addition to PASS pupils attitude to self and school: this has allowed efficient targeting of pupils on support programmes to improve their learning outcomes and social and emotional wellbeing with the ability to measure the outcomes for these programmes.
- A teaching staff restructure has taken place to ensure that staffing is efficient and effective and provides for the needs of the Academy whilst reducing the overall wage allocation.
- A support staff and Senior Leadership team restructure are planned to take place during 2017-8 to develop further efficiency savings and become more effective.
- Better purchasing; shared listening to contractors for contracts for schools has resulted in a process which the single academy could not have matched in obtaining both value for all the Academy and the other schools.
- Consistent use and negotiation with the same internet provider system has resulted in reduced costs from the current internet provider resulting in large savings to the Academy
- Time support for middle leader member of staff to provide shared EWO linkages has resulted in improvement in attendance and parental links with the school regarding this topic without recourse to additional external provider or enhanced casework charges from LA.
- The Academy continues to generate income from the use of solar panels and lettings.
- A range of software packages are being utilised to ensure that Academy reduces costs in terms of paper and photocopying and streamlines administration systems and staff workload.

## **St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

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

---

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Edward's Church of England Academy Trust, Leek for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and HR 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 board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Dains LLP, the external auditors, to perform additional checks.

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

- testing of payroll system
- testing of purchase system
- testing of income findings
- testing of the accounting system

On a termly basis, the auditors report to the board of trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Work was delivered as planned and no material control issues were identified.

**St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

**Governance Statement (continued)**

---

**Review of Effectiveness**

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

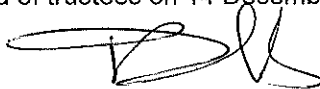
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 14 December 2017 and signed on their behalf, by:



**Mrs C Simmonds**  
**Chair of Trustees**



**Mr T Hutchinson**  
**Accounting Officer**

**St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

**Statement on Regularity, Propriety and Compliance**

---

As Accounting Officer of St Edward's Church of England Academy Trust, Leek I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



**Mr T Hutchinson**  
**Accounting Officer**

Date: 14 December 2017

**St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

**Statement of Trustees' Responsibilities  
For the year ended 31 August 2017**

---

The Trustees (who act as governors of St Edward's Church of England Academy Trust, Leek and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 14 December 2017 and signed on its behalf by:



**Mrs C Simmonds  
Chair of Trustees**

## **St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

### **Independent Auditors' Report on the Financial Statements to the Members of St Edward's Church of England Academy Trust, Leek**

---

#### **Opinion**

We have audited the financial statements of St Edward's Church of England Academy Trust, Leek for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

#### **Basis of opinion**

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

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

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

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

## **St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

### **Independent Auditors' Report on the Financial Statements to the Members of St Edward's Church of England Academy Trust, Leek**

---

#### **Other information**

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

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

#### **Responsibilities of trustees**

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

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

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

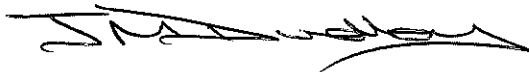
**Independent Auditors' Report on the Financial Statements to the Members of St Edward's Church of England Academy Trust, Leek**

---

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

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

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



Jonathan Dudley (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke on Trent  
ST1 5RQ

Date: 14 December 2017

## **St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

### **Independent Reporting Accountants' Assurance Report on Regularity to St Edward's Church of England Academy Trust, Leek and the Education and Skills Funding Agency**

---

In accordance with the terms of our engagement letter dated 1 November 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Edward's Church of England Academy Trust, Leek during the year 1 September 2016 to 31 August 2017 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 St Edward's Church of England Academy Trust, Leek and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Edward's Church of England Academy Trust, Leek 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 St Edward's Church of England Academy Trust, Leek and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of St Edward's Church of England Academy Trust, Leek's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of St Edward's Church of England Academy Trust, Leek's funding agreement with the Secretary of State for Education dated 21 December 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

St Edward's Church of England Academy Trust, Leek

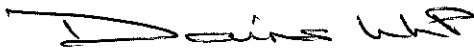
(A company limited by guarantee)

**Independent Reporting Accountants' Assurance Report on Regularity to St Edward's Church of England Academy Trust, Leek 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 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Dains LLP**

Statutory Auditor  
Chartered Accountants

Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke on Trent  
ST1 5RQ

Date: 14 December 2017

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account  
For the year ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>Income from:</b>						
Donations and capital grants	2	6,020	-	20,815	26,835	154,326
Charitable activities:	3					
Funding for the academy trust's educational operations		-	3,214,027	-	3,214,027	3,252,291
Other trading activities	4	84,881	-	-	84,881	58,007
Investments	5	774	-	-	774	1,159
<b>Total income</b>		<b>91,675</b>	<b>3,214,027</b>	<b>20,815</b>	<b>3,326,517</b>	<b>3,465,783</b>
<b>Expenditure on:</b>						
Raising funds		11,289	-	-	11,289	16,175
Academy trust educational operations		-	3,570,015	60,529	3,630,544	3,305,422
<b>Total expenditure</b>	6	<b>11,289</b>	<b>3,570,015</b>	<b>60,529</b>	<b>3,641,833</b>	<b>3,321,597</b>
<b>Net income / (expenditure) before transfers</b>		<b>80,386</b>	<b>(355,988)</b>	<b>(39,714)</b>	<b>(315,316)</b>	<b>144,186</b>
Transfers between Funds	17	(3,047)	(27,288)	30,335	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>77,339</b>	<b>(383,276)</b>	<b>(9,379)</b>	<b>(315,316)</b>	<b>144,186</b>
Actuarial gains/(losses) on defined benefit pension schemes	22	-	248,000	-	248,000	(121,000)
<b>Net movement in funds</b>		<b>77,339</b>	<b>(135,276)</b>	<b>(9,379)</b>	<b>(67,316)</b>	<b>23,186</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		322,613	(817,005)	1,426,980	932,588	909,402
<b>Total funds carried forward</b>		<b>399,952</b>	<b>(952,281)</b>	<b>1,417,601</b>	<b>865,272</b>	<b>932,588</b>

The notes on pages 34 to 55 form part of these financial statements.

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Registered number: 08316327

Balance Sheet

As at 31 August 2017

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Intangible assets	12		14,673		-
Tangible assets	13		1,368,358		1,370,781
			<u>1,383,031</u>		<u>1,370,781</u>
<b>Current assets</b>					
Debtors	14	131,781		100,416	
Cash at bank and in hand		1,126,640		1,121,366	
		<u>1,258,421</u>		<u>1,221,782</u>	
<b>Creditors:</b> amounts falling due within one year	15	(430,187)		(249,975)	
<b>Net current assets</b>			<u>828,234</u>		<u>971,807</u>
<b>Total assets less current liabilities</b>			<u>2,211,265</u>		<u>2,342,588</u>
<b>Creditors:</b> amounts falling due after more than one year	16		(73,993)		-
<b>Net assets excluding pension scheme liabilities</b>			<u>2,137,272</u>		<u>2,342,588</u>
Defined benefit pension scheme liability	22		(1,272,000)		(1,410,000)
<b>Net assets including pension scheme liabilities</b>			<u>865,272</u>		<u>932,588</u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	17	319,719		592,995	
Restricted fixed asset funds	17	1,417,601		1,426,980	
		<u>1,737,320</u>		<u>2,019,975</u>	
Restricted income funds excluding pension liability					
Pension reserve		(1,272,000)		(1,410,000)	
			<u>465,320</u>		<u>609,975</u>
Total restricted income funds			<u>465,320</u>		<u>609,975</u>
Unrestricted income funds	17		399,952		322,613
<b>Total funds</b>			<u>865,272</u>		<u>932,588</u>

**St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

**Balance Sheet (continued)  
As at 31 August 2017**

---

The financial statements on pages 30 to 55 were approved by the Trustees, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:



**Mrs C Simmonds  
Chair of Trustees**

The notes on pages 34 to 55 form part of these financial statements.

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Statement of Cash Flows  
For the year ended 31 August 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<u>56,819</u>	<u>183,480</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		747	1,159
Proceeds from the sale of tangible fixed assets		-	5,107
Purchase of intangible and tangible fixed assets		(72,779)	(89,773)
Capital grants from DfE/ESFA		<u>20,815</u>	<u>110,630</u>
<b>Net cash (used in)/provided by investing activities</b>		<u>(51,217)</u>	<u>27,123</u>
<b>Change in cash and cash equivalents in the year</b>		<b>5,602</b>	<b>210,603</b>
Cash and cash equivalents brought forward		<u>1,121,366</u>	<u>910,763</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>1,126,968</u></u>	<u><u>1,121,366</u></u>

The notes on pages 34 to 55 form part of these financial statements.

## St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

### Notes to the Financial Statements For the year ended 31 August 2017

---

#### 1. Accounting Policies

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

##### 1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Edward's Church of England Academy Trust, Leek constitutes a public benefit entity as defined by FRS 102.

##### 1.2 Going concern

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

##### 1.3 Income

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

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

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

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

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

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

**St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

**Notes to the Financial Statements  
For the year ended 31 August 2017**

---

**1. Accounting Policies (continued)**

**1.4 Expenditure**

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

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

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

All expenditure is inclusive of irrecoverable VAT.

**1.5 Intangible fixed assets and amortisation**

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Software development	-	33% straight line
----------------------	---	-------------------

Notes to the Financial Statements  
For the year ended 31 August 2017

---

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

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

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

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

Leasehold land	-	Over the term of the lease
Leasehold building improvements	-	10% straight line
Fixtures and fittings	-	20% straight line
Assets under construction	-	No depreciation charged
Computer equipment	-	33% straight line

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 incorporating income and expenditure account.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Liabilities and provisions

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

Notes to the Financial Statements  
For the year ended 31 August 2017

---

1. Accounting Policies (continued)

1.9 Financial instruments

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.10 Taxation

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

1.11 Pensions

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

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

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

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

**St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

**Notes to the Financial Statements  
For the year ended 31 August 2017**

---

**1. Accounting Policies (continued)**

**1.12 Fund accounting**

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

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

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

**Notes to the Financial Statements  
For the year ended 31 August 2017**

---

**1. Accounting Policies (continued)**

**1.13 Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The academy 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.

**Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

**Land and buildings**

The academy trust occupies:

- (a) land provided by the Local Authority under a 125 year lease;
- (b) land provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

In respect of:

- (a) a figure is entered that reflects advice taken on the value of the lease;
- (b) having considered the fact that the academy trust company occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2017

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	6,020	-	-	6,020	42,756
Legacies	-	-	-	-	940
Capital grants	-	-	20,815	20,815	110,630
	<b>6,020</b>	<b>-</b>	<b>20,815</b>	<b>26,835</b>	<b>154,326</b>
<i>Total 2016</i>	43,696	-	110,630	154,326	

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General annual grant	-	2,838,173	2,838,173	2,933,967
Pupil Premium	-	151,942	151,942	148,395
PE Teaching grant	-	9,825	9,825	9,925
Y7 Catch up grant	-	19,908	19,908	19,500
	<b>-</b>	<b>3,019,848</b>	<b>3,019,848</b>	<b>3,111,787</b>
<b>Other government grants</b>				
Special educational needs	-	79,644	79,644	21,881
LA pupil premium	-	11,700	11,700	9,928
	<b>-</b>	<b>91,344</b>	<b>91,344</b>	<b>31,809</b>
<b>Other funding</b>				
Music tuition fees, revision guides and other	-	789	789	7,121
Trip income	-	68,292	68,292	81,670
Outdoor education income	-	33,754	33,754	19,904
	<b>-</b>	<b>102,835</b>	<b>102,835</b>	<b>108,695</b>
	<b>-</b>	<b>3,214,027</b>	<b>3,214,027</b>	<b>3,252,291</b>
<i>Total 2016</i>	-	3,252,291	3,252,291	

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2017

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	10,289	-	10,289	11,943
Catering surplus	-	-	-	40
Solar panel income	6,017	-	6,017	7,855
Sale of other goods and services	7,441	-	7,441	4,889
Staff insurance income	54,934	-	54,934	31,905
Staff services income	6,200	-	6,200	1,375
	<u>84,881</u>	<u>-</u>	<u>84,881</u>	<u>58,007</u>
<i>Total 2016</i>	<u>53,791</u>	<u>4,216</u>	<u>58,007</u>	

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	774	-	774	1,159
	<u>774</u>	<u>-</u>	<u>774</u>	<u>1,159</u>
<i>Total 2016</i>	<u>1,159</u>	<u>-</u>	<u>1,159</u>	

6. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on fundraising trading	-	4,484	6,805	11,289	16,175
Educational Operations:					
Direct costs	2,563,517	-	196,467	2,759,984	2,520,755
Support costs	351,411	164,406	354,743	870,560	784,667
	<u>2,914,928</u>	<u>168,890</u>	<u>558,015</u>	<u>3,641,833</u>	<u>3,321,597</u>
<i>Total 2016</i>	<u>2,587,189</u>	<u>170,755</u>	<u>563,653</u>	<u>3,321,597</u>	

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2017

7. Charitable activities

	Total funds 2017 £	Total funds 2016 £
<b>Direct costs - educational operations</b>		
Wages and salaries	1,909,047	1,823,661
National insurance	187,554	155,430
Pension cost	466,916	339,953
Educational supplies	62,025	69,801
Staff development	12,612	10,493
Pupil transport	11,258	7,973
Educational trips	110,572	113,444
	<u>2,759,984</u>	<u>2,520,755</u>
<b>Support costs - educational operations</b>		
Wages and salaries	298,592	224,461
National insurance	16,193	10,752
LGPS pension adjustment	36,626	32,368
Depreciation	60,529	68,546
Pension income	31,000	47,000
Professional services	65,497	48,023
Recruitment and support	2,814	14,100
Maintenance of premises and equipment	90,364	81,065
Cleaning	71,711	69,686
Printing, stationary and postage	15,126	15,070
Rates	11,676	11,377
Water rates	3,969	6,409
Energy	42,476	46,170
Insurance	53,459	57,331
Governance costs	14,121	15,890
Technology	4,664	5,457
Other support costs	8,810	15,920
Catering	42,933	15,042
	<u>870,560</u>	<u>784,667</u>
	<u><u>3,630,544</u></u>	<u><u>3,305,422</u></u>

**St Edward's Church of England Academy Trust, Leek**

**(A company limited by guarantee)**

**Notes to the Financial Statements  
For the year ended 31 August 2017**

**8. Net income/(expenditure)**

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	60,529	68,546
Auditors' remuneration - audit	6,600	6,400
Auditors' remuneration - other services	1,480	2,500
Operating Leases	1,167	4,311
	<u>60,529</u>	<u>68,546</u>

**9. Staff costs**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	2,000,637	1,973,919
Social security costs	203,747	166,184
Operating costs of defined benefit pension schemes	503,542	372,325
	<u>2,707,926</u>	<u>2,512,428</u>
Supply teacher costs	88,103	74,761
Staff restructuring costs	118,899	-
	<u>2,914,928</u>	<u>2,587,189</u>

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

	2017 No.	2016 No.
Teaching	35	34
Support staff	42	45
Management	7	6
	<u>84</u>	<u>85</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	0	1

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £406,214 (2016 - £465,986).

## St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

### Notes to the Financial Statements For the year ended 31 August 2017

---

#### 10. Trustees' remuneration and expenses

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

		2017 £	2016 £
Mrs E Clarke, Principal	Remuneration	25,000-30,000	70,000-75,000
	Pension contributions paid	0-5,000	10,000-15,000
Mrs P Handforth, Staff Trustee	Remuneration	0-5,000	40,000-45,000
	Pension contributions paid	0-5,000	5,000-10,000
Mr C Abell, Staff Trustee	Remuneration	N/A	0-5,000
	Pension contributions paid	N/A	0-5,000
Mrs M Collier, Staff Trustee	Remuneration	20,000-25,000	15,000-20,000
	Pension contributions paid	0-5,000	0-5,000
Mrs C Hall, Staff Trustee	Remuneration	10,000-15,000	5,000-10,000
	Pension contributions paid	0-5,000	0-5,000
Mr R Fox, Interim Principal	Remuneration	35,000-40,000	N/A
	Pension contributions paid	0-5,000	N/A
Mr T Hutchinson, Principal	Remuneration	25,000-30,000	N/A
	Pension contributions paid	0-5,000	N/A

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, expenses totalling £47 were reimbursed to one trustee. (2016 - £148 to 2 Trustees).

#### 11. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees 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 2017 was £1,020 (2016 - £990).

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2017

12. Intangible fixed assets

	Software develop- ment £
<b>Cost</b>	
At 1 September 2016	-
Additions	14,673
At 31 August 2017	<u>14,673</u>
<b>Carrying amount</b>	
At 31 August 2017	<u>14,673</u>
At 31 August 2016	<u>-</u>

13. Tangible fixed assets

	Leasehold land £	Leasehold building improve- ments £	Fixtures and fittings £	Computer equipment £	Assets under construc- tion £
<b>Cost</b>					
At 1 September 2016	1,152,977	142,176	80,365	83,268	70,875
Additions	-	42,842	12,217	3,047	-
Transfer between classes	-	70,875	-	-	(70,875)
At 31 August 2017	<u>1,152,977</u>	<u>255,893</u>	<u>92,582</u>	<u>86,315</u>	<u>-</u>
<b>Depreciation</b>					
At 1 September 2016	27,672	14,727	50,890	65,591	-
Charge for the year	9,224	24,193	17,960	9,152	-
At 31 August 2017	<u>36,896</u>	<u>38,920</u>	<u>68,850</u>	<u>74,743</u>	<u>-</u>
<b>Net book value</b>					
At 31 August 2017	<u>1,116,081</u>	<u>216,973</u>	<u>23,732</u>	<u>11,572</u>	<u>-</u>
At 31 August 2016	<u>1,125,305</u>	<u>127,449</u>	<u>29,475</u>	<u>17,677</u>	<u>70,875</u>

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2017

13. Tangible fixed assets (continued)

	Total £
<b>Cost</b>	
At 1 September 2016	1,529,661
Additions	58,106
Transfer between classes	-
At 31 August 2017	<u>1,587,767</u>
<b>Depreciation</b>	
At 1 September 2016	158,880
Charge for the year	60,529
At 31 August 2017	<u>219,409</u>
<b>Net book value</b>	
At 31 August 2017	<u><u>1,368,358</u></u>
At 31 August 2016	<u><u>1,370,781</u></u>

14. Debtors

	2017 £	2016 £
Trade debtors	244	760
Other debtors	1,302	1,803
Prepayments and accrued income	87,891	54,491
VAT recoverable	42,344	43,362
	<u>131,781</u>	<u>100,416</u>

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	23,148	82,962
Other taxation and social security	51,168	45,651
Other creditors	206,245	42,556
Accruals and deferred income	149,626	78,806
	<u>430,187</u>	<u>249,975</u>

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2017

15. Creditors: Amounts falling due within one year (continued)

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	44,770	48,765
Resources deferred during the year	49,943	44,770
Amounts released from previous years	(44,770)	(48,765)
	<u>49,943</u>	<u>44,770</u>
Deferred income at 31 August 2017	<u>49,943</u>	<u>44,770</u>

At the balance sheet date the academy was holding funds relating to grants for the 2017/18 academic year and trips taking place during the 2017/18 academic year.

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

	2017 £	2016 £
Other creditors	73,993	-
	<u>73,993</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2017 £	2016 £
Between 1 to 5 years	7,808	-
Amounts over 5 years	66,185	-
	<u>73,993</u>	<u>-</u>

17. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
General Fund	322,613	91,675	(11,289)	(3,047)	-	399,952
	<u>322,613</u>	<u>91,675</u>	<u>(11,289)</u>	<u>(3,047)</u>	<u>-</u>	<u>399,952</u>

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2017

17. Statement of funds (continued)

**Restricted funds**

General Annual Grant (GAG)	430,189	2,838,173	(3,085,409)	(21,309)	-	161,644
Educational Trips	31,590	102,835	(112,274)	-	-	22,151
Pupil premium	86,494	151,942	(151,572)	-	-	86,864
PE Teaching Grant	5,729	9,825	(7,567)	(5,979)	-	2,008
Y7 Catch up Grant	31,436	19,908	(11,849)	-	-	39,495
Special Educational Needs	-	79,644	(79,644)	-	-	-
Learning Resources	7,121	-	-	-	-	7,121
Other restricted income	436	-	-	-	-	436
Other government grants	-	11,700	(11,700)	-	-	-
Pension reserve	(1,410,000)	-	(110,000)	-	248,000	(1,272,000)
	<u>(817,005)</u>	<u>3,214,027</u>	<u>(3,570,015)</u>	<u>(27,288)</u>	<u>248,000</u>	<u>(952,281)</u>

**Restricted fixed asset funds**

Transfer from legacy school	1,146,946	-	(15,895)	-	-	1,131,051
Capital expenditure from GAG and DfE revenue grants	28,783	-	(17,230)	27,288	-	38,841
DfE/ESFA Capital grants	181,497	14,364	(25,347)	-	-	170,514
Capital expenditure from unrestricted funds	65,146	-	(2,057)	3,047	-	66,136
Local authority capital grants	4,608	6,451	-	-	-	11,059
	<u>1,426,980</u>	<u>20,815</u>	<u>(60,529)</u>	<u>30,335</u>	<u>-</u>	<u>1,417,601</u>
Total restricted funds	<u>609,975</u>	<u>3,234,842</u>	<u>(3,630,544)</u>	<u>3,047</u>	<u>248,000</u>	<u>465,320</u>
Total of funds	<u><u>932,588</u></u>	<u><u>3,326,517</u></u>	<u><u>(3,641,833)</u></u>	<u><u>-</u></u>	<u><u>248,000</u></u>	<u><u>865,272</u></u>

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2017

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
General Fund	312,345	98,646	(86,738)	(1,640)	-	322,613
	<u>312,345</u>	<u>98,646</u>	<u>(86,738)</u>	<u>(1,640)</u>	<u>-</u>	<u>322,613</u>
<b>Restricted funds</b>						
General Annual Grant (GAG)	285,837	2,933,967	(2,786,006)	(3,609)	-	430,189
Educational Trips	43,460	101,574	(113,444)	-	-	31,590
Pupil premium	57,308	148,395	(119,209)	-	-	86,494
PE Teaching Grant	3,973	9,925	(8,169)	-	-	5,729
Y7 Catch up Grant	31,396	19,500	(19,460)	-	-	31,436
Special Educational Needs	-	21,881	(21,881)	-	-	-
Learning Resources	-	7,121	-	-	-	7,121
Other restricted income	436	4,216	(4,216)	-	-	436
Other government grants	-	9,928	(9,928)	-	-	-
Pension reserve	(1,205,000)	-	(84,000)	-	(121,000)	(1,410,000)
	<u>(782,590)</u>	<u>3,256,507</u>	<u>(3,166,313)</u>	<u>(3,609)</u>	<u>(121,000)</u>	<u>(817,005)</u>
<b>Restricted fixed asset funds</b>						
Transfer from legacy school	1,170,971	-	(24,025)	-	-	1,146,946
Capital expenditure from GAG and DfE revenue grants	57,323	-	(32,149)	3,609	-	28,783
DfE/ESFA Capital grants	86,213	-	(10,738)	-	-	75,475
Capital expenditure from unrestricted funds	65,140	106,022	(1,634)	1,640	-	171,168
Local authority capital grants	-	4,608	-	-	-	4,608
	<u>1,379,647</u>	<u>110,630</u>	<u>(68,546)</u>	<u>5,249</u>	<u>-</u>	<u>1,426,980</u>
Total restricted funds	<u>597,057</u>	<u>3,367,137</u>	<u>(3,234,859)</u>	<u>1,640</u>	<u>(121,000)</u>	<u>609,975</u>
Total of funds	<u><u>909,402</u></u>	<u><u>3,465,783</u></u>	<u><u>(3,321,597)</u></u>	<u><u>-</u></u>	<u><u>(121,000)</u></u>	<u><u>932,588</u></u>

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2017

---

17. Statement of funds (continued)

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

**Unrestricted Funds**

This fund represents those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Governors.

**Restricted Funds**

This fund represents grants received for the Academy's operational activities and development, restricted music income and income for the secondment of a teacher to another school.

**Pension reserve**

This fund represents the academy's share of the pension liability arising on the LGPS pension fund.

**Restricted Fixed Asset Fund**

This fund relates to the donation of the leasehold playing fields from the local authority on a 125 year lease, other fixed assets donated on conversion and a small amount of capital expenditure from GAG.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

18. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	14,673	14,673
Tangible fixed assets	-	-	1,368,358	1,368,358
Current assets	399,952	824,226	34,570	1,258,748
Creditors due within one year	-	(430,514)	-	(430,514)
Creditors due in more than one year	-	(73,993)	-	(73,993)
Provisions for liabilities and charges	-	(1,272,000)	-	(1,272,000)
	<u>399,952</u>	<u>(952,281)</u>	<u>1,417,601</u>	<u>865,272</u>

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2017

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(315,316)	144,186
<b>Adjustment for:</b>		
Depreciation charges	60,529	68,546
Dividends, interest and rents from investments	(774)	(1,159)
(Increase)/decrease in debtors	(31,365)	56,926
Increase/(decrease) in creditors	254,560	(58,389)
Capital grants from DfE and other capital income	(20,815)	(110,630)
Defined benefit pension scheme cost less contributions payable	79,000	47,000
Defined benefit pension scheme finance cost	31,000	37,000
<b>Net cash provided by operating activities</b>	<u>56,819</u>	<u>183,480</u>

20. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	1,126,968	1,121,366
Total	<u>1,126,968</u>	<u>1,121,366</u>

21. Capital commitments

At 31 August 2017 the academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>24,275</u>

22. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £44,722 were payable to the schemes at 31 August 2017 (2016 - 42,115) and are included within creditors.

**22. Pension commitments (continued)**

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £336,000 (2016 - £240,000).

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

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

## St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

### Notes to the Financial Statements For the year ended 31 August 2017

---

#### 22. Pension commitments (continued)

##### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £115,000 (2016 - £112,000), of which employer's contributions totalled £90,000 (2016 - £86,000) and employees' contributions totalled £25,000 (2016 - £26,000). The agreed contribution rates for future years are 22.2% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.80 %	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.40 %	3.00 %
Commutation of pensions to lump sums - pre-April 2008	50.00 %	50.00 %
Commutation of pensions to lump sums - post-April 2008	75.00 %	75.00 %

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

	2017	2016
Retiring today		
Males	22.1	22.1
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.3
Females	26.4	26.6

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	933,280	689,000
Debt instruments	147,360	101,000
Property	98,240	73,000
Cash and other liquid assets	49,120	55,000
Total market value of assets	<u>1,228,000</u>	<u>918,000</u>

The actual return on scheme assets was £104,000 (2016 - £135,000).

St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

Notes to the Financial Statements  
For the year ended 31 August 2017

---

22. Pension commitments (continued)

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

	2017 £	2016 £
Current service cost	(169,000)	(123,000)
Interest income	20,000	27,000
Interest cost	(51,000)	(74,000)
Total	<u>(200,000)</u>	<u>(170,000)</u>
Actual return on scheme assets	<u>104,000</u>	<u>135,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	2,328,000	1,876,000
Current service cost	169,000	123,000
Interest cost	51,000	74,000
Employee contributions	25,000	26,000
Actuarial (gains)/losses	(53,000)	239,000
Benefits paid	(20,000)	(10,000)
Closing defined benefit obligation	<u>2,500,000</u>	<u>2,328,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	918,000	671,000
Interest income	20,000	27,000
Actuarial gains	195,000	118,000
Employer contributions	90,000	86,000
Employee contributions	25,000	26,000
Benefits paid	(20,000)	(10,000)
Closing fair value of scheme assets	<u>1,228,000</u>	<u>918,000</u>

## St Edward's Church of England Academy Trust, Leek

(A company limited by guarantee)

### Notes to the Financial Statements For the year ended 31 August 2017

---

#### 23. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	3,502	1,437
Between 1 and 5 years	5,837	-
Total	<u>9,339</u>	<u>1,437</u>

#### 24. Members' liability

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

#### 25. Related party transactions

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

Lichfield Diocesan Board of Education a member of St Edward's Church of England Academy Trust, Leek:

- The Academy Trust purchased educational services from the Lichfield Diocesan Board of Education totalling £4,459 (2016 - £2,559) during the year. There were no amounts outstanding as at 31 August 2017.
- The Academy Trust made the purchase at arms' length in accordance with its financial regulations. The service was not competitively tendered due to the specialist nature of the service provided.
- In entering into the transaction the Academy Trust has complied with the requirements of the Academies Financial Handbook 2016.

No other related party transactions took place in the period of account.