

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

Trustees Report and Financial Statements

For the Year Ended 31 August 2018

**St Edward's Church of England Academy Trust, Leek**  
**(A company limited by guarantee)**

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**St Edward's Church of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Reference and Administrative Details**  
**For the Year Ended 31 August 2018**

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**Members**

Church of England Central Education Trust  
Lichfield Diocesan Board of Education  
Rev N Irons (resigned 21 March 2018)  
Mrs C Simmonds

**Trustees**

Mr J Morton<sup>1</sup>  
Rev N Irons<sup>1</sup>  
Mrs R Bell (resigned 31 December 2017)  
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 13 November 2017)  
Miss E Priestman (resigned 15 October 2017)  
Mr G Torr<sup>1</sup>  
Mrs C Simmonds, Chair of Trustees<sup>1</sup>  
Mr D Forbes (resigned 31 December 2017)  
Mr A Peters<sup>1</sup>  
Mr C Goodwin  
Mr T Hutchinson, Principal and Accounting Officer<sup>1</sup>  
Mrs V Higgins (appointed 23 April 2018)  
Mr J Goulding (appointed 16 July 2018)  
Mrs E Hollings (appointed 24 January 2018)  
Mrs F Bromley (appointed 17 April 2018, resigned 5 May 2018)

<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 trust, its Trustees and Advisers**  
**For the Year Ended 31 August 2018**

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**Advisers (continued)**

**Senior management team**

Mr T Hutchinson, Principal  
Mr J Parish, Vice Principal  
Mr J Toal, Vice Principal (Appointed 1 September 2018)  
Mrs D Haydon, Assistant Principal  
Mrs A Simpson, Assistant Principal  
Mrs S Casey, Business Manager  
Mrs R Rose, Lead Practitioner (Resigned 31 August 2018)

**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**  
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**Trustees' Report**  
**For the Year Ended 31 August 2018**

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

The trust operates as an Academy for pupils aged 9-13 years of age and has a pupil capacity of 768 and had a roll of 727 in the school census on October 2018.

**Structure, governance and management**

**Constitution**

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

The 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 Trust, 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 Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim.

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

The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The Academy Trust shall have the following Governors:

- (a) No fewer than 7 Governors, appointed under Article 50;
- (b) Up to 1 Staff Governor, if appointed under Article 50A;
- (c) 2 Parent Governors appointed under Articles 53-58; and
- (d) the Principal.

Subject to Articles 48 and 49 below;

48. The first Governors shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

49. Future Governors shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a Governor to be appointed or elected due to the fact that an Academy has not yet been established, then the relevant Article or part thereof shall not apply.

**St Edward's Church of England Academy Trust, Leek**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**

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The Trust had one parent governor vacancy at the end of the academic year. The Members may appoint one Staff Governor through such process as they may determine. The Principal shall be treated for all purposes as being ex officio Governors.

Parent Governors shall be elected by parents of registered pupils at the Academy Trust. A Parent Governor must be a parent of a pupil at the Academy Trust 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 Trust. 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 Trust.

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 Trust underwent a full review of Governance led by a National Leader of Governance Advocate. This led to a different Governing Body structure in terms of committees. There is now a Full Governing Body and two sub committees, Teaching and Learning and Systems and Structures. This structure and new Articles of Association were implemented and approved by the EFSA in February 2018. The 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 Governors also shares with local Chairs of Governors from other schools in the LEP (Leek Education Partnership) their ideas and mutual purposes.

### **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 trust, 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 trust, 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 trust's financial, human and other resources (in particular control over the spending identified in the academy's development plan)
- 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 trust 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 2 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 Full Governing Body 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 Pay and Appraisal Panel.

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.

**St Edward's Church of England Academy Trust, Leek**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**

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**Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time** £

Total cost of facility time	-
Total pay bill	2,897,447
Percentage of total pay bill spent on facility time	- %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**Related Parties and other Connected Charities and Organisations**

- The Academy Trust 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 with 17 other schools with a financial commitment of a £3 per head for pupils on role. 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 worked closely with these organisations:

- Painsley Catholic College Teaching School Alliance
- Leek Education Partnership
- Kings School, Kidsgrove
- Staffordshire and National Middle School Forum

### **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 Trust. 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

### **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 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 Trust and the community it serves stand for and strive to live out in as we fulfil the Academy Trust 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**

To provide high quality education provision for all within the Academy Trust 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 Trust
- 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

**Key Priorities: these are based on our SEF and feedback from our last section 5 inspection (Feb 6/7 2018):**

**Leadership and Management:** To embed clear lines of accountability in leadership at all levels in order to secure rapid improvements in pupil's outcomes. Ofsted: "Deepen the impact of leadership and management on pupils' progress by ensuring that:

- teachers, pupils and parents are provided with reliable information about pupils' potential and ongoing achievement;
- all teachers have a secure understanding of a range of strategies for setting work for the most able pupils;
- effective teachers can share their practice with their colleagues;
- temporary teachers receive the guidance they need to contribute to a consistently good standard of teaching; and
- ensure that governors conduct effective checks on the expenditure of additional funds provided to support the achievement of particular groups of pupils.

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

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**Teaching and Learning:** To rapidly improve the quality of teaching, learning and use of assessment and feedback to ensure sustainable progress in pupil outcomes, no matter what their starting point, for all groups. Ofsted: "Improve the quality of teaching by:

- making sure that teachers consistently set work which provides an appropriate level of challenge for all groups of pupils in the class, including the most able, the least able and those who have SEN and/or disabilities; and
- ensuring that all teachers give pupils the opportunity to improve their work and that pupils make good use of that opportunity."

**Personal development, behaviour and welfare:** To promote a climate for learning where pupil's excellent attitudes to learning have a strong, positive on their progress.

**Outcomes:** To rapidly improve the progress of pupils, including those that are disadvantaged or have additional needs, from their starting points by ensuring they develop secure knowledge, understanding and skills.

### **Equal Opportunities**

St Edwards Church of England Academy, Leek is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of sex, race, colour, disability or marital status. The trust gives full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities.

### **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**

#### **Outcomes, Achievements and performance**

##### Outcomes: 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. 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.
- Small group tuition for highlighted pupils.
- Online tuition to support learning Maths for group of pupils using 3rdSpace Learning.
- Faculty moderation and collaborative planning within Maths and English Faculties to ensure quality first teaching.
- Pupil Premium, SEND, website and Governance Reviews took place led by external consultants.

St Edward's Church of England Academy Trust, Leek  
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Trustees' Report (continued)  
For the Year Ended 31 August 2018

Breakdown of results: Headlines

Year 6 SATS results for 2017-18 have presented clear improvements in many areas examined. A key focus for the Academy was to improve the outcomes of progress and attainment to be above national averages in all areas of Reading, Writing and Maths for Attainment, to increase the number of pupils attaining the Higher Standard at KS2. And to diminish the differences between disadvantaged and non-disadvantaged learners.

Table 1: KS1 to KS2 Progress by sub group (Green = improvement. Yellow = static)

	2018 (182 pupils) Expected (Number)	%	Nat %	Higher (Number)	%	Nat %
<b>Reading</b>	143	79%	75%	62	34%	28%
Male	64	74%	71%	22	26%	24%
Female	79	82%	79%	40	42%	32%
PP	32	71%		8	18%	
Non PP	111	81%		54	39%	
SEN	6	32%		0	0%	
Non SEN	137	84%		62	38%	
Higher	85	96%		50	56%	
Middle	55	65%		11	13%	
Lower	1	17%		0	0%	
<b>Writing</b>	156	86%	78%	64	35%	20%
Male	72	84%	72%	22	26%	15%
Female	84	88%	84%	42	44%	25%
PP	34	76%		13	29%	
Non PP	122	89%		51	37%	
SEN	3	16%		0	0%	
Non SEN	153	94%		64	39%	
Higher	86	97%		61	69%	
Middle	67	79%		2	2%	
Lower	1	17%		0	0%	
<b>Maths</b>	134	74%	76%	46	25%	24%
Male	63	73%	75%	21	24%	25%
Female	71	74%	76%	25	26%	22%
PP	26	58%		8	18%	
Non PP	108	79%		38	28%	
SEN	5	26%		1	5%	
Non SEN	129	79%		45	28%	
Higher	85	96%		43	48%	
Middle	46	54%		3	4%	
Lower	1	17%		0	0%	

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

	2018 (182 pupils) Expected (Number)	%	Nat %	Higher (Number)	%	Nat %
<b>Combined R/W/M</b>	118	55%	64%	31	17%	10%
Male	52	60%	60%	9	10%	8%
Female	66	69%	68%	22	23%	12%
PP	24	52%		4	12%	
Non PP	94	69%	70%	27	20%	12%
SEN	1	5%		0	0%	
Non SEN	117	72%		31	19%	
Higher	80	90%		31	35%	
Middle	36	42%		0	0%	
Lower	0	0%		0	0%	
<b>GPVS</b>	148	81%	78%	76	42%	34%
Male	67	78%	73%	32	37%	30%
Female	81	84%	82%	44	46%	39%
PP	31	69%		15	33%	
Non PP	117	85%		61	45%	
SEN	4	21%		0	0%	
Non SEN	144	88%		76	47%	
Higher	88	99%		67	75%	
Middle	58	68%		8	9%	
Lower	0	0%		0	0%	

Table 2: Average Scaled Scores and Progress (Green = improvement. Yellow = static)

Average Scaled Score	2016 School	2016 National	2017 School	2017 National	2018 School	2018 National
Reading	103	103	103	104	106	105
GPVS	102	104	104	106	107	106
Maths	101	103	104	104	104	104
<b>Progress</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>		
Reading	75%	-2.0	-2.8	-1.0		
Writing	90%	-4.3	-0.9	0.6		
Maths	75%	-3.7	-1.8	-2.3		

The average scaled scores (Table 2) show in line with or exceeding performance against national in reading and GPVS and Maths made the national figure.

Results narrative and sub groups and areas for improvement

Case Study Successes

- Substantial improvement in Reading, Writing, GPVS attainment and progress both at Expected and Higher levels.
- Maths Attainment at Expected level fell by 6% on the previous year but remained above national for Higher with 17% of pupils achieving this level. A reduction of 3% on the previous year. Scaled scores in Maths stayed static but progress decline by -0.5. 96% of high ability students achieved expected standard in writing with 69% achieving the higher standard. In GPVS this was 55% to 75% an improvement of 20%.

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

Year 8 Exit Data

Table 3: Leaving Year 8 2017-18 CAT score data when they arrived in Year 5.

	Verbal	Quantitative	Non-verbal	Spatial	Overall
	Mean SAS	Mean SAS	Mean SAS	Mean SAS	Mean SAS
<b>National Average</b>	100.0	100.0	100.0	100.0	100.0
<b>Year 5</b>	99.5	99.8	95.6	99.0	98.6

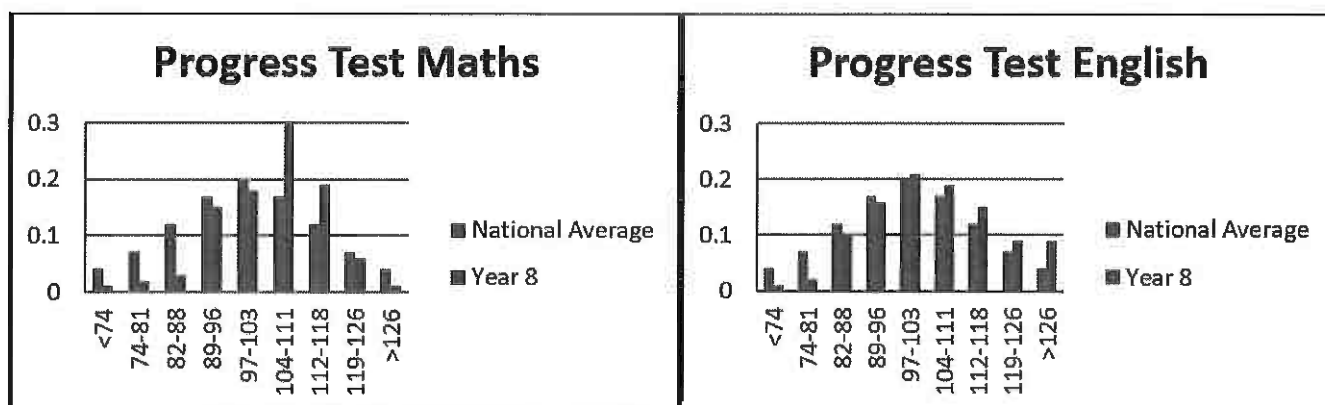


Table 3 above highlights that on average in every element of the CATs tests completed (when the leaving 2017-8 Year 8 cohort were tested in year 5) that this year group were below national averages. Graph 1 and 2 demonstrated that for both English and Maths using the GL assessment data for the Year 8's on exit that the progress had improved significantly above average.

Table 4: Data for Year 8 Academic Year 2017-18

	Predicted GCSE grade 4+	Predicted GCSE grade 7+
<b>Progress Test English (June 2018)</b>	82%	24%
<b>Progress Test Maths (June 2018)</b>	87%	31%

Table 4 demonstrates the impact of teaching across KS2-3 from Year 5 to 8. On entry GL assessment suggests that this cohort is below national averages in every area (see Table 3). However, by the time pupils leave the Academy in Year 8 (using the same GL assessment framework) there are predicted to perform at levels well beyond national averages at GCSE. Both in terms of the benchmark GCSE grade 4 and for those higher ability pupils being grade 7.

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

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Focus Areas for further academic improvement

There are several areas of concern that need to be focused upon in 2018/19 as a priority for the Academy Trust. These are outlined below:

1. Focus to maintain and improve progress and attainment for all pupils with specific focus on
  - a. SEND pupils
  - b. Pupil premium pupils
  - c. High Ability learners will remain as a focus area
  - d. Boys combined
  - e. Boys in reading
  - f. Boys in GPVS
  - g. Girls in Maths
2. A key focus area is all pupils who are 90% PA (Persistent Absenteeism).
3. Focus on the match up of pupils to achieve the combined English and Maths measure
4. Robustness of predictions and triangulation/moderation of data through the year needs to be improved in line with the new assessment model 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 Trust.

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 completed 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 which has been approved by the EFSA,
- A new Scheme of Delegation, Articles of Association and committee structure was implemented.

In terms of Senior and Middle Leadership:

- A new Principal was appointed from Easter 2016/17: Mr T Hutchinson
- Senior Leadership Team restructure was completed leading to a more unified and clear accountability structure to drive the Academy Trust forward
- SSAT (Specialist schools and Academies Trust) completed a program 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 Trust to ensure rapid school improvement
- The Principal is undertaking the NPQEL (National Professional Qualification for Executive Leadership)
- 6 aspiring Leaders are under taking the NPQSL (National Professional Qualification for Senior Leaders)
- Collaboration with the King's School, Kidsgrove is taking place and support for the new Head of Faculty for Maths is now taking place alongside reciprocal meetings for Senior Leaders from this school.

**St Edward's Church of England Academy Trust, Leek**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**

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External Reviews

Objectives

A section 5 OfSTED took place across key areas of the Academy to ensure clear insight in to areas of strength, areas for development and a direction is developed.

OfSTED inspected the Academy in February 2018. They moved the Academy from a grading of 2 Good to a 3 Requires Improvement. With the following gradings:

- Leadership and Management - 3
- Personal Development, Behaviour and Welfare - 2
- Teaching Learning and Assessment - 3
- Overall outcomes - 3

This was disappointing for the Academy as there were many elements that had been implemented and were showing 'green shoots' however at the time of inspection there was not enough evidence of the rapid improvements required to achieve a Good grading.

Since this time Academic and Pastoral measures have moved forward rapidly and a 2 year trend of rapid improvement can now be seen.

**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 96.52% (9 Nov 2018) compared to 2017-18 whole year attendance at 95.65 %. At this point in December 2016-17 attendance stood at 93.02% showing a 3.5% improvement comparatively.

- Year 5 Attendance: 97.76%
- Year 6 Attendance: 97.38%
- Year 7 Attendance: 95.88%
- Year 8 Attendance: 95.02%

**Persistent Absenteeism**

2017/18 Academy: 9.9% NA 8.8% LAA (Local Authority Average) 14%

- Current Year 2018-19 – 10% year to date if 'G or H' code (holiday not agreed or holiday agreed codes) pupils are removed this reduces to 6.3%. (23 pupils with G code fall into PA) LAA is 14%
- Currently 77 pupils on our record as PA 90, this includes pupils with reasonable reason for absence.

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

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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.

**Behaviour**

The academy has carried out 3 fixed term exclusions and 0 permanent exclusion this academic year, for a total of 2 pupils. The fixed term exclusions were for between 1- 5 days and was for consistent disruption and physical aggression towards pupils and staff.

Behaviour across the academy is generally outstanding and as part of our drive to improve this further and move to a positive behaviour culture the new Behaviour policy (called the Praise and Rewards Policy in the Academy) was implemented in September 2018 and will be reviewed in the Spring term to include much more praise.

**Achievement Points starting from September to end of half term 1:**

Year 5: 27,980

Year 6: 27,000

Year 7: 26,270

Year 8: 25,280

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

**St Edward's Church of England Academy Trust, Leek**  
**(A company limited by guarantee)**

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

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- Percentage of income spent on staffing split between teaching and support staff
  - Currently 78% this figure needs to be reduced to 75%.
- Percentage of income spent on non-staffing costs
  - Ensure this increases to a minimum 25%

**Going concern**

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

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

- Whole of Government accounts
- The Financial Plan for the period 2017 to 2018 to the EFSA
- Health Audit Checks

**Financial review**

The main streams of funding during the year were grants received from the Education and Skills Funding Agency (ESFA) and the Local Authority (LA).

All grant received from the ESFA and LA during the year and the associated expenditure are shown as restricted general funds in the Statement Of Financial Activities.

During the year ended 31 August 2018, the Academy Trust has restricted general funds income of £3,328,227 and associated expenditure of £3,353,845 (excluding LGPS pension costs).

The Trust has unrestricted income that relates to trading activities, donations and investment income that totalled £104,724 for the year and related expenditure of £100,741.

Staffing costs have been significantly higher this year due to the number of long term sickness absences, redundancy costs and Principal recruitment fees. A full analysis of expenditure can be found in notes 6 to 9.

At 31 August 2018 the net book value of fixed assets was £1,512,163 and the movement in the intangible fixed assets and tangible fixed assets are shown at notes 12 and 13 of the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

The Local Government Pension Scheme (LGPS) liability at 31 August 2018 totalled £1,093,000.

The total amount of cash held at the bank on the 31 August 2018 totalled £983,430.

At 31 August 2018 the funds of the Trust were as follows: £277,774 included in general restricted funds, £1,586,266 included in restricted fixed assets funds, deficit balance of £1,093,000 included in restricted pension reserve and £403,936 included in unrestricted funds.

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 2018**

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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 Standards and Systems 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 Systems and Structures 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.

At 31 August 2018 the reserves of the Trust total £1,174,976 comprising of £277,774 included in general restricted funds, £1,586,266 included in restricted fixed assets funds, deficit balance of £1,093,000 included in restricted pension reserve and £403,936 included in unrestricted funds.

The academy trust'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 Improvement Fund application namely; heating system replacement and guttering.

**Investment 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 £621 compared to £774 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 £1,093,000 represents 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.

The Academy Trust 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 Trust'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 Trust 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**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2018**

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

- To comply with risk management best practice, including the Turnbull guidelines
- To ensure risks facing the Academy Trust 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 Trust

### **Fundraising**

The school did not take part in any fundraising activities during the 2017-18 financial year, with the exception of small charity donations of £2,147 which were donated to the Christmas Shoe box appeal (£11) Cancer Research (£277), NSPCC (£516), Children in Need (£652), McMillan Cancer Research (£641) and Children with Cancer (£50). The school ensures that all fundraising activities are done so in a transparent and up-front manner and that 'proof of donations' are displayed for staff, visitors and pupils to see following fundraising activities. The use of funds obtained through fundraising activities is tracked by the Academy Trust.

### **Plans for future periods**

Future plans for St Edwards Church of England Academy, Leek are as follows:

- To implement a new assessment model that is fit for purpose
- To ensure that all teaching in the Academy Trust 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 Trust.
- To establish the Academy Trust 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 Trust
- Develop the positive behaviour culture and linked documentation for the Academy Trust
- To develop the Christian ethos of the Academy Trust working closely with local Churches and Lichfield Diocese
- To coordinate successful transition for pupils into and out of the Academy Trust 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 covered area to alleviate space within the Hall. To ensure that Governors are trained and able to support the Academy Trust in their leadership role
- To achieve a good or better judgement at the next Ofsted inspection

**St Edward's Church of England Academy Trust, Leek**  
**(A company limited by guarantee)**

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

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**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 to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Dains be reappointed as auditor of the charitable company will be put to the members.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2018 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**

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**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	5	6
Rev N Irons	6	6
Mrs R Bell	2	2
Mrs M Collier, Staff Trustee	6	6
Mrs C Hall, Foundation Trustee	1	1
Dr G Lewis	0	1
Mr F Murray	0	1
Miss E Priestman	0	1
Mr G Torr	4	6
Mrs C Simmonds, Chair of Trustees	6	6
Mr D Forbes	2	2
Mr A Peters	2	6
Mr C Goodwin	6	6
Mr T Hutchinson, Principal and Accounting Officer	6	6
Mrs V Higgins	2	2
Mr J Goulding	1	1
Mrs E Hollings	4	4

The Governors have undergone an external review of Governance carried out by a National Leader of Governance and a new structure of committees has been adopted in the year and a number of new governors have been appointed. 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.

**St Edward's Church of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Governance Statement (continued)**

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The Standards and System Committee is a sub-committee of the main board of trustees. Its purpose is to ensure the efficient financial direction of the Academy Trust. 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 Standards and System committee serves as the audit committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Simmonds, Chair of Trustees	4	4
Mr T Hutchinson, Principal and Accounting Officer	4	4
Mr A Peters	3	4
Mr G Torr	4	4
Rev N Irons	4	4
Mr J Morton	2	4

**Review of Value for Money**

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

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

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

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

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

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

**Governance Statement (continued)**

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**Capacity to Handle Risk**

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

**The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Standards and System 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; and
- 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 reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust'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 external auditors report to the board of trustees through the Standards and System Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**Governance Statement (continued)**

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**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:

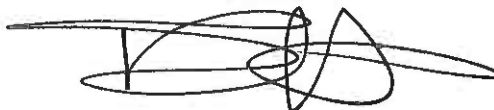
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Standards and System 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 12 December 2018 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)**

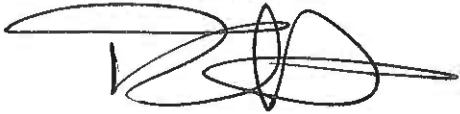
**Statement on Regularity, Propriety and Compliance**

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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: 12 December 2018

**St Edward's Church of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Statement of Trustees' Responsibilities**  
**For the Year Ended 31 August 2018**

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 12 December 2018 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**

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**Opinion**

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

In our opinion the financial statements:

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

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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 trust'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**

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**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 Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

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

In the light of our knowledge and understanding of the academy trust 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**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**

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**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy trust 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 trust'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 trust or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



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: 12 December 2018

## **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 & Skills Funding Agency**

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In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Edward's Church of England Academy Trust, Leek during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Approach**

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust'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 & Skills Funding Agency (continued)**

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**Conclusion**

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



**Dains LLP**

Statutory Auditor  
Chartered Accountants

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

Date: 12 December 2018

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 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>Income from:</b>						
Donations and capital grants	2	1,941	-	217,569	219,510	26,835
Charitable activities:	3					
Funding for the academy trust's educational operations		-	3,328,227	-	3,328,227	3,214,027
Other trading activities	4	102,162	-	-	102,162	84,881
Investments	5	621	-	-	621	774
<b>Total income</b>		<b>104,724</b>	<b>3,328,227</b>	<b>217,569</b>	<b>3,650,520</b>	<b>3,326,517</b>
<b>Expenditure on:</b>						
Raising funds		100,741	-	-	100,741	11,289
Academy trust educational operations		-	3,484,845	65,231	3,550,076	3,630,544
<b>Total expenditure</b>	6	<b>100,741</b>	<b>3,484,845</b>	<b>65,231</b>	<b>3,650,817</b>	<b>3,641,833</b>
<b>Net income / (expenditure) before transfers</b>		<b>3,983</b>	<b>(156,618)</b>	<b>152,338</b>	<b>(297)</b>	<b>(315,316)</b>
Transfers between Funds	17	-	(16,327)	16,327	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>3,983</b>	<b>(172,945)</b>	<b>168,665</b>	<b>(297)</b>	<b>(315,316)</b>
Actuarial gains on defined benefit pension schemes	22	-	310,000	-	310,000	248,000
<b>Net movement in funds</b>		<b>3,983</b>	<b>137,055</b>	<b>168,665</b>	<b>309,703</b>	<b>(67,316)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		399,952	(952,281)	1,417,601	865,272	932,588
<b>Total funds carried forward</b>		<b>403,935</b>	<b>(815,226)</b>	<b>1,586,266</b>	<b>1,174,975</b>	<b>865,272</b>

The notes on pages 35 to 59 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 2018


	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Intangible assets	12		9,782		14,673
Tangible assets	13		1,502,381		1,368,358
			<u>1,512,163</u>		<u>1,383,031</u>
<b>Current assets</b>					
Debtors	14	218,441		131,781	
Cash at bank and in hand		983,430		1,126,640	
			<u>1,201,871</u>	<u>1,258,421</u>	
<b>Creditors:</b> amounts falling due within one year	15	(375,784)		(430,187)	
<b>Net current assets</b>			<u>826,087</u>		<u>828,234</u>
<b>Total assets less current liabilities</b>			<u>2,338,250</u>		<u>2,211,265</u>
<b>Creditors:</b> amounts falling due after more than one year	16		(70,275)		(73,993)
<b>Net assets excluding pension scheme liabilities</b>			<u>2,267,975</u>		<u>2,137,272</u>
Defined benefit pension scheme liability	22		(1,093,000)		(1,272,000)
<b>Net assets including pension scheme liabilities</b>			<u>1,174,975</u>		<u>865,272</u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	17	277,774		319,719	
Restricted fixed asset funds	17	1,586,266		1,417,601	
			<u>1,864,040</u>	<u>1,737,320</u>	
Restricted income funds excluding pension liability					
Pension reserve			(1,093,000)	(1,272,000)	
			<u>771,040</u>	<u>465,320</u>	
Total restricted income funds					
Unrestricted income funds	17		403,935		399,952
<b>Total funds</b>			<u>1,174,975</u>		<u>865,272</u>

**St Edward's Church of England Academy Trust, Leek**  
**(A company limited by guarantee)**

**Balance Sheet (continued)**  
**As at 31 August 2018**

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The financial statements on pages 31 to 59 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:



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

The notes on pages 35 to 59 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 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	19	<u>(167,365)</u>	<u>56,819</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		621	747
Purchase of tangible fixed assets		(194,363)	(72,779)
Capital grants from DfE Group		217,569	20,815
<b>Net cash provided by/(used in) investing activities</b>		<u>23,827</u>	<u>(51,217)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(143,538)</b>	<b>5,602</b>
Cash and cash equivalents brought forward		<u>1,126,968</u>	<u>1,121,366</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>983,430</u></u>	<u><u>1,126,968</u></u>

The notes on pages 35 to 59 form part of these financial statements.

## **1. Accounting Policies**

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

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

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

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

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

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

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

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

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

**1. 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 trust 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 trust's educational operations, including support costs and those costs relating to the governance of the academy trust 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
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Notes to the Financial Statements  
For the Year Ended 31 August 2018

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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 and assets under construction, 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
Furniture and fixtures	-	20% straight line
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 trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1. Accounting Policies (continued)**

**1.9 Interest receivable**

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

**1.10 Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust 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 instrument.

**1.11 Taxation**

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

**1.12 Pensions**

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

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

**1. Accounting Policies (continued)**

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

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

**1.13 Fund accounting**

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

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

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

**1. Accounting Policies (continued)**

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

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

Critical accounting estimates and assumptions:

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

**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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**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.

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 2018

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	1,941	-	-	1,941	6,020
Capital Grants	-	-	217,569	217,569	20,815
	<u>1,941</u>	<u>-</u>	<u>217,569</u>	<u>219,510</u>	<u>26,835</u>
<i>Total 2017</i>	<u>6,020</u>	<u>-</u>	<u>20,815</u>	<u>26,835</u>	

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General annual grant	-	2,947,606	2,947,606	2,838,173
Pupil Premium	-	161,025	161,025	151,942
PE Teaching grant	-	19,650	19,650	9,825
Y7 Catch up grant	-	18,070	18,070	19,908
	<u>-</u>	<u>3,146,351</u>	<u>3,146,351</u>	<u>3,019,848</u>
<b>Other government grants</b>				
Special educational needs	-	58,364	58,364	79,644
LA pupil premium	-	7,635	7,635	11,700
	<u>-</u>	<u>65,999</u>	<u>65,999</u>	<u>91,344</u>
<b>Other funding</b>				
Music tuition fees, revision guides and other	-	1,505	1,505	789
Trip Income	-	74,925	74,925	68,292
Outdoor education income	-	39,447	39,447	33,754
	<u>-</u>	<u>115,877</u>	<u>115,877</u>	<u>102,835</u>
	<u>-</u>	<u>3,328,227</u>	<u>3,328,227</u>	<u>3,214,027</u>
<i>Total 2017</i>	<u>-</u>	<u>3,214,027</u>	<u>3,214,027</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 2018

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	5,947	-	5,947	10,289
Solar panel income	8,613	-	8,613	6,017
Sale of other goods and services	6,127	-	6,127	7,441
Staff insurance income	55,022	-	55,022	54,934
Staff services income	2,804	-	2,804	6,200
Before and after school club	23,649	-	23,649	-
	<u>102,162</u>	<u>-</u>	<u>102,162</u>	<u>84,881</u>
<i>Total 2017</i>	<u>84,881</u>	<u>-</u>	<u>84,881</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	621	-	621	774
	<u>621</u>	<u>-</u>	<u>621</u>	<u>774</u>
<i>Total 2017</i>	<u>774</u>	<u>-</u>	<u>774</u>	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	79,028	-	21,713	100,741	11,289
Support costs	-	-	-	-	-
Educational Operations:					
Direct costs	2,321,000	-	213,762	2,534,762	2,759,984
Support costs	497,419	223,968	293,927	1,015,314	870,560
	<u>2,897,447</u>	<u>223,968</u>	<u>529,402</u>	<u>3,650,817</u>	<u>3,641,833</u>
<i>Total 2017</i>	<u>2,914,928</u>	<u>168,890</u>	<u>558,015</u>	<u>3,641,833</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 2018

7. Charitable activities

	Total funds 2018 £	Total funds 2017 £
<b>Direct costs - educational operations</b>		
Wages and salaries	1,764,371	1,909,047
National insurance	166,099	187,554
Pension cost	390,530	466,916
Educational supplies	83,383	62,025
Staff development	14,426	12,612
Pupil transport	12,158	11,258
Educational trips	103,795	110,572
	<u>2,534,762</u>	<u>2,759,984</u>
<b>Support costs - educational operations</b>		
Wages and salaries	437,956	298,592
National insurance	16,106	16,193
Pension cost	43,357	36,626
Depreciation	65,231	60,529
LGPS Pension Adjustment	33,000	31,000
Professional services	81,612	65,497
Recruitment and support	196	2,814
Maintenance of premises	123,653	90,364
Cleaning	71,471	71,711
Printing, stationery and postage	11,300	15,126
Rates	12,024	11,676
Water rates	12,257	3,969
Energy	45,989	42,476
Insurance	23,830	53,459
Governance costs	9,817	14,121
Technology	4,115	4,664
Other support costs	13,250	8,810
Catering	10,150	42,933
	<u>1,015,314</u>	<u>870,560</u>
	<u><u>3,550,076</u></u>	<u><u>3,630,544</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 2018**

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

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>60,340</b>	60,529
Amortisation of intangible fixed assets	<b>4,891</b>	-
Auditors' remuneration - audit	<b>6,800</b>	6,600
Auditors' remuneration - other services	<b>1,550</b>	1,480
Operating lease rentals	<b>1,100</b>	1,167
	<u><u>          </u></u>	<u><u>          </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 2018**

**9. Staff costs**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,198,633	2,000,637
Social security costs	182,205	203,747
Operating costs of defined benefit pension schemes	433,887	503,542
	<u>2,814,725</u>	<u>2,707,926</u>
Supply teacher costs	73,779	88,103
Staff restructuring costs	8,943	118,899
	<u>2,897,447</u>	<u>2,914,928</u>

**b. Non-statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,216 (2017 - £nil) paid to one individual on 31 December 2017.

**c. Staff numbers**

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

	2018 No.	2017 No.
Teaching	33	35
Support staff	52	42
Management	6	7
	<u>91</u>	<u>84</u>

**d. Higher paid staff**

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	0	1
In the band £80,001 - £90,000	1	0

**e. Key management personnel**

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 and national insurance contributions) received by key management personnel for their services to the academy trust was £434,462 (2017: £439,155).

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**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:

		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
Mr T Hutchinson, Principal	Remuneration	<b>80,000-85,000</b>	<i>25,000-30,000</i>
	Pension contributions paid	<b>10,000-15,000</b>	<i>0-5,000</i>
Mrs M Collier, Staff Trustee	Remuneration	<b>20,000-25,000</b>	<i>20,000-25,000</i>
	Pension contributions paid	<b>0-5,000</b>	<i>0-5,000</i>
Mrs C Hall, Staff Trustee	Remuneration	<b>0-5,000</b>	<i>10,000-15,000</i>
	Pension contributions paid	<b>0-5,000</b>	<i>0-5,000</i>
Mr R Fox, Interim Principal	Remuneration	<b>N/A</b>	<i>35,000-40,000</i>
	Pension contributions paid	<b>N/A</b>	<i>0-5,000</i>
Mrs E Clarke, Principal	Remuneration	<b>N/A</b>	<i>25,000-30,000</i>
	Pension contributions paid	<b>N/A</b>	<i>0-5,000</i>
Mrs P Handforth, Staff Trustee	Remuneration	<b>N/A</b>	<i>0-5,000</i>
	Pension contributions paid	<b>N/A</b>	<i>0-5,000</i>

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

During the year ended 31 August 2018, expenses totalling £60 were reimbursed to one trustee. (2017 - £47 to 1 Trustee).

**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 2018 was £1,696 (2017 - £1,020).

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Notes to the Financial Statements  
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12. Intangible fixed assets

	Software develop- ment £
<b>Cost</b>	
At 1 September 2017 and 31 August 2018	14,673
<b>Amortisation</b>	
At 1 September 2017	-
Charge for the year	4,891
At 31 August 2018	4,891
<b>Carrying amount</b>	
At 31 August 2018	9,782
<i>At 31 August 2017</i>	<i>14,673</i>

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13. Tangible fixed assets

	Leasehold land £	Leasehold building improve- ments £	Furniture and fixtures £	Computer equipment £	Assets under construc- tion £	Total £
<b>Cost</b>						
At 1 September 2017	1,152,977	255,893	92,582	86,315	-	1,587,767
Additions	-	-	9,684	7,889	176,790	194,363
At 31 August 2018	1,152,977	255,893	102,266	94,204	176,790	1,782,130
<b>Depreciation</b>						
At 1 September 2017	36,896	38,920	68,850	74,743	-	219,409
Charge for the year	9,224	25,588	14,404	11,124	-	60,340
At 31 August 2018	46,120	64,508	83,254	85,867	-	279,749
<b>Net book value</b>						
At 31 August 2018	1,106,857	191,385	19,012	8,337	176,790	1,502,381
At 31 August 2017	1,116,081	216,973	23,732	11,572	-	1,368,358

14. Debtors

	2018 £	2017 £
Trade debtors	2,257	244
Other debtors	1,854	1,302
Prepayments and accrued income	98,473	87,891
VAT recoverable	115,857	42,344
	218,441	131,781

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	66,528	23,148
Other taxation and social security	93,793	51,168
Other creditors	51,846	206,245
Accruals and deferred income	163,617	149,626
	375,784	430,187

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Notes to the Financial Statements  
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15. Creditors: Amounts falling due within one year (continued)

	2018 £	2017 £
<b>Deferred income</b>		
Deferred income at 1 September 2017	49,943	44,770
Resources deferred during the year	32,749	49,943
Amounts released from previous years	(49,943)	(44,770)
	<u>32,749</u>	<u>49,943</u>
Deferred income at 31 August 2018	<u>32,749</u>	<u>49,943</u>

At the balance sheet date the academy trust was holding funds relating to trips taking place during the 2018/19 academic year.

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

	2018 £	2017 £
Other creditors	<u>70,275</u>	<u>73,993</u>

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

	2018 £	2017 £
Between 1 to 5 years	14,872	14,872
Amounts over 5 years	55,403	59,121
	<u>70,275</u>	<u>73,993</u>

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**For the Year Ended 31 August 2018**

**17. Statement of funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Fund	399,952	104,724	(100,741)	-	-	403,935
<b>Restricted funds</b>						
General Annual Grant (GAG)	161,644	2,947,606	(2,969,738)	(9,197)	-	130,315
Trip & Outdoor Education Income	22,151	114,372	(113,268)	-	-	23,255
Pupil premium	86,864	168,660	(195,080)	-	-	60,444
PE Teaching Grant	2,008	19,650	(3,179)	(7,130)	-	11,349
Y7 Catch up Grant	39,495	18,070	(14,216)	-	-	43,349
Special Educational Needs	-	58,364	(58,364)	-	-	-
Learning Resources	7,121	1,505	-	-	-	8,626
Other restricted Income	436	-	-	-	-	436
Pension reserve	(1,272,000)	-	(131,000)	-	310,000	(1,093,000)
	<u>(952,281)</u>	<u>3,328,227</u>	<u>(3,484,845)</u>	<u>(16,327)</u>	<u>310,000</u>	<u>(815,226)</u>
<b>Restricted fixed asset funds</b>						
Transfer from legacy school	1,131,051	-	(17,597)	-	-	1,113,454
Capital expenditure from GAG and DfE revenue grants	38,841	-	(16,906)	16,327	-	38,262
DfE/ESFA Capital grants	170,514	22,985	(28,078)	-	-	165,421
Capital expenditure from unrestricted funds	66,136	-	(2,650)	-	-	63,486
Local authority capital grants	11,059	-	-	-	-	11,059
CIF Funding	-	194,584	-	-	-	194,584
	<u>1,417,601</u>	<u>217,569</u>	<u>(65,231)</u>	<u>16,327</u>	<u>-</u>	<u>1,586,266</u>
Total restricted funds	<u>465,320</u>	<u>3,545,796</u>	<u>(3,550,076)</u>	<u>-</u>	<u>310,000</u>	<u>771,040</u>
Total of funds	<u><u>865,272</u></u>	<u><u>3,650,520</u></u>	<u><u>(3,650,817)</u></u>	<u><u>-</u></u>	<u><u>310,000</u></u>	<u><u>1,174,975</u></u>

**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 trust at the discretion of the Governors.

**Restricted Funds**

This fund represents grants received for the Academy Trust'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 trust'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.

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**17. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
<b>Unrestricted funds</b>						
General Fund	322,613	91,675	(11,289)	(3,047)	-	399,952
<b>Restricted funds</b>						
General Annual Grant (GAG)	430,189	2,838,173	(3,085,409)	(21,309)	-	161,644
Trip & Outdoor Education						
Income	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>
<b>Restricted fixed asset funds</b>						
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>

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Fund	322,613	196,399	(112,030)	(3,047)	-	403,935
<b>Restricted funds</b>						
General Annual Grant (GAG)	430,189	5,785,779	(6,055,147)	(30,506)	-	130,315
Trip & Outdoor Education Income	31,590	217,207	(225,542)	-	-	23,255
Pupil premium	86,494	320,602	(346,652)	-	-	60,444
PE Teaching Grant	5,729	29,475	(10,746)	(13,109)	-	11,349
Y7 Catch up Grant	31,436	37,978	(26,065)	-	-	43,349
Special Educational Needs	-	138,008	(138,008)	-	-	-
Learning Resources	7,121	1,505	-	-	-	8,626
Other restricted Income	436	-	-	-	-	436
Other government grants	-	11,700	(11,700)	-	-	-
Pension reserve	(1,410,000)	-	(241,000)	-	558,000	(1,093,000)
	<u>(817,005)</u>	<u>6,542,254</u>	<u>(7,054,860)</u>	<u>(43,615)</u>	<u>558,000</u>	<u>(815,226)</u>
<b>Restricted fixed asset funds</b>						
Transfer from legacy school	1,146,946	-	(33,492)	-	-	1,113,454
Capital expenditure from GAG and DfE revenue grants	28,783	-	(34,136)	43,615	-	38,262
DfE/ESFA Capital grants	181,497	37,349	(53,425)	-	-	165,421
Capital expenditure from unrestricted funds	65,146	-	(4,707)	3,047	-	63,486
Local authority capital grants	4,608	6,451	-	-	-	11,059
CIF Funding	-	194,584	-	-	-	194,584
	<u>1,426,980</u>	<u>238,384</u>	<u>(125,760)</u>	<u>46,662</u>	<u>-</u>	<u>1,586,266</u>
	<u>609,975</u>	<u>6,780,638</u>	<u>(7,180,620)</u>	<u>3,047</u>	<u>558,000</u>	<u>771,040</u>
<b>Total of funds</b>	<u><u>932,588</u></u>	<u><u>6,977,037</u></u>	<u><u>(7,292,650)</u></u>	<u><u>-</u></u>	<u><u>558,000</u></u>	<u><u>1,174,975</u></u>

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**18. Analysis of net assets between funds**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Intangible fixed assets	-	-	9,782	9,782
Tangible fixed assets	-	-	1,502,381	1,502,381
Current assets	403,935	723,833	74,103	1,201,871
Creditors due within one year	-	(375,784)	-	(375,784)
Creditors due in more than one year	-	(70,275)	-	(70,275)
Provisions for liabilities and charges	-	(1,093,000)	-	(1,093,000)
	<u>403,935</u>	<u>(815,226)</u>	<u>1,586,266</u>	<u>1,174,975</u>

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Restricted fixed asset funds 2017 £</i>	<i>Total funds 2017 £</i>
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>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	<b>(297)</b>	<b>(315,316)</b>
<b>Adjustment for:</b>		
Depreciation charges	<b>65,231</b>	60,529
Dividends, interest and rents from investments	<b>(621)</b>	(774)
Increase in debtors	<b>(86,989)</b>	(31,365)
(Decrease)/increase in creditors	<b>(58,120)</b>	254,560
Capital grants from DfE and other capital income	<b>(217,569)</b>	(20,815)
Defined benefit pension scheme cost less contributions payable	<b>98,000</b>	79,000
Defined benefit pension scheme finance cost	<b>33,000</b>	31,000
<b>Net cash (used in)/provided by operating activities</b>	<b>(167,365)</b>	<b>56,819</b>

**20. Analysis of cash and cash equivalents**

	2018 £	2017 £
Cash in hand	<b>983,430</b>	1,126,968
Total	<b>983,430</b>	1,126,968

**21. Capital commitments**

At 31 August 2018 the academy trust had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<b>17,794</b>	-

**22. Pension commitments**

The academy trust'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 £44,439 were payable to the schemes at 31 August 2018 (2017 - £44,722) 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.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £240,000 (2017 - £336,000).

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 an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

#### **Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £139,000 (2017 - £115,000), of which employer's contributions totalled £109,000 (2017 - £90,000) and employees' contributions totalled £30,000 (2017 - £25,000). The agreed contribution rates for future years are 23.2% for employers and 5.5 -

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**22. Pension commitments (continued)**

12.5%% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.80 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Inflation assumption (CPI)	2.30 %	2.40 %
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:

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

<b>Sensitivity analysis</b>	<b>At 31 August</b>	<i>At 31 August</i>
	<b>2018</b>	<i>2017</i>
	£	£
Discount rate -0.5%	322,000	314,000
Salary increase rate +0.5%	77,000	83,000
Pension increase (CPI) rate +0.5%	240,000	224,000

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

	<b>Fair value at</b>	<i>Fair value at</i>
	<b>31 August</b>	<i>31 August</i>
	<b>2018</b>	<i>2017</i>
	£	£
Equities	1,012,200	933,280
Debt instruments	274,740	147,360
Property	115,680	98,240
Cash and other liquid assets	43,380	49,120
<b>Total market value of assets</b>	<b>1,446,000</b>	<i>1,228,000</i>

The actual return on scheme assets was £82,000 (2017 - £104,000).

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**22. Pension commitments (continued)**

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

	<b>2018</b>	<b>2017</b>
	£	£
Current service cost	<b>(213,000)</b>	<i>(169,000)</i>
Interest income	<b>32,000</b>	<i>20,000</i>
Interest cost	<b>(65,000)</b>	<i>(51,000)</i>
	<hr/>	<hr/>
Total	<b>(246,000)</b>	<i>(200,000)</i>
	<hr/>	<hr/>
Actual return on scheme assets	<b>82,000</b>	<i>104,000</i>
	<hr/>	<hr/>

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

	<b>2018</b>	<b>2017</b>
	£	£
Opening defined benefit obligation	<b>2,500,000</b>	<i>2,328,000</i>
Current service cost	<b>213,000</b>	<i>169,000</i>
Interest cost	<b>65,000</b>	<i>51,000</i>
Employee contributions	<b>31,000</b>	<i>25,000</i>
Actuarial gains	<b>(255,000)</b>	<i>(53,000)</i>
Benefits paid	<b>(15,000)</b>	<i>(20,000)</i>
	<hr/>	<hr/>
Closing defined benefit obligation	<b>2,539,000</b>	<i>2,500,000</i>
	<hr/>	<hr/>

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

	<b>2018</b>	<b>2017</b>
	£	£
Opening fair value of scheme assets	<b>1,228,000</b>	<i>918,000</i>
Interest income	<b>32,000</b>	<i>20,000</i>
Actuarial gains	<b>55,000</b>	<i>195,000</i>
Employer contributions	<b>115,000</b>	<i>90,000</i>
Employee contributions	<b>31,000</b>	<i>25,000</i>
Benefits paid	<b>(15,000)</b>	<i>(20,000)</i>
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>1,446,000</b>	<i>1,228,000</i>
	<hr/>	<hr/>

**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 2018**

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**23. Operating lease commitments**

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts payable:</b>		
Within 1 year	<b>1,100</b>	<b>3,502</b>
Between 1 and 5 years	<b>3,849</b>	<b>5,837</b>
Total	<b>4,949</b>	<b>9,339</b>

**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 trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Lichfield Diocesan Board of Education is 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 £3,096 (2017 - £4,459) during the year. Amounts outstanding at the year end were £2,716 (2017 - £Nil).

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 2017.

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