



ELVEDEN CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

ELVEDEN CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

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ELVEDEN CHURCH OF ENGLAND PRIMARY ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

P Brooks
J Flack
R G Hodgkinson
P Knowles

Trustees

P Brooks (resigned 7 November 2016)
J Flack
A Grimes
R G Hodgkinson, Chair
J Jones (resigned 31 December 2016)
D Kane
L Rourke^{1,2}
N Cogan (appointed 7 November 2016)
S Munro (appointed 9 October 2017)

¹ Accounting Officer

² Executive Principal

Company registered number

08327233

Company name

Elveden Church of England Primary Academy

Principal and registered office

London Road, Elveden, Thetford, IP24 3TN

Senior management team

L Rourke, Executive Principal
A Keeble, Senior Teacher

Independent auditors

MA Partners LLP, 7 The Close, Norwich, Norfolk, NR1 4DJ

Bankers

Lloyds TSG Commercial, PO Box 1000, BX1 1LT

Solicitors

Stone King LLP, 16 St Johns Lane, London, EC1M 4BS

ELVEDEN CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

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

Structure, governance and management

a. CONSTITUTION

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

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

The Trustees of Elveden Church of England Primary Academy are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Elveden Church of England Primary Academy.

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

b. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the Trustees or Governors who are elected and co-opted under the terms of the Articles of Association.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Governors have committed to regular training sessions each year from a recognised consultant and to also attend any other development sessions.

e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The arrangements for setting the pay and remuneration of the academy's key management personnel and any benchmarks, parameters or criteria used in setting their pay are defined in the whole school pay policy set by the governors. The parameters are set using Performance Management targets as agreed in the policy. Increments will only be awarded following successful completion of Performance Management and following review by the Personnel committee.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

f. ORGANISATIONAL STRUCTURE

The academy structure now consists of four levels: The Academy Trust, The Governors, The Senior Managers and the school staff. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

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

The Senior Managers are the Principal and a senior teacher. These managers control the academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for all posts always contain a Governor.

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Elveden Church of England Primary Academy has a formal partnership with Forest Academy.

Objectives and Activities

a. OBJECTS AND AIMS

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the academy during the year ended 31 August 2017 are summarised below:

- To monitor attainment and progress closely across all year groups and with a focus on progress from year 2-6.
- To ensure outcomes are good or better in all areas/subjects including the arts, humanities and sciences.
- To plan, monitor and evaluate all Pupil Premium spending to ensure maximum impact.
- To develop the governing bodies of both schools, building on strengths and consider reconstitution
- To provide effective CPD, which is linked to PM, for all to ensure staff are motivated, respected and effective and provide long term sustainability across the schools.
- To ensure the budgets of both schools are closely monitored and funds allocated effectively.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The academy's mission statement: At Elveden C of E Primary Academy, you can walk into any classroom, at any time, and see and hear all children enjoying their learning and progressing.

The academy's vision:

Our Children will journey through our schools, building a memory bank of learning experiences that positively impact on them for the rest of their lives. We will build a collection of amazing memories where learning is fun and education is valued

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

c. PUBLIC BENEFIT

The principal object and activity of the charitable company is the operation of the Elveden C of E Primary Academy to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

The Governors confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the academy's aims and objectives.

Strategic report

Achievements and performance

a. KEY PERFORMANCE INDICATORS

The academy is committed to observing the importance of performance indicators to ensure that it continues to strive for both educational and financial excellence.

In its last inspection in February 2016, Ofsted concluded that the academy was an Outstanding school in all areas.

KS1 - as at July 2017

Subject	<i>EXPECTED+</i>	<i>Greater Depth</i>		
	Elveden Academy	National Average	Elveden Academy	National Average
Reading	83%	76%	33%	25%
Writing	83%	68%	33%	16%
Maths	83%	75%	33%	21%
RWM	75%	64%	33%	11%

KS2 - as at July 2017

End of Y6 (national in brackets)	Reading	GPS	Writing	Maths	Combined
2017	78% (71%)	78% (77%)	78% (76%)	100% (75%)	67% (61%)
Higher standard	22% (24.5%)	33% (31%)	55% (18%)	22% (22.5%)	33% (8.6%)

RWM - Reading, writing and mathematics

GPS - Grammar, punctuation and spelling

Financial review

a. RESERVES POLICY

The Governors aim to maintain free reserves to ensure that there is sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The current target is to hold free reserves of £84,000 being approximately three month's salary costs. As at 31 August 2017, the academy had free reserves (total funds less the amount held in fixed assets, designated and restricted funds) of **£75,628** (2016 - £81,806) due to unexpected staffing costs related to maternity pay.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

b. DEFICIT

The balance sheet includes a deficit on the Pension Reserve of **£32,000** (2016 - £36,000) being the academy's FRS 102 valuation of its share of the Local Government Pension Scheme (see note 22 for further details).

c. PRINCIPAL RISKS AND UNCERTAINTIES

The Governors have assessed the major risks to which the charitable company is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances.

The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. They are satisfied that these systems are consistent with guidelines issued by the Charities Commission.

The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

d. GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future or until the successful completion of joining the DEMAT. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Plans for future periods

a. FUTURE DEVELOPMENTS

Priorities for 2017/18 are:

- The development of clear, robust systems and processes to raise standards higher by increasing progress.
- To increase progress between Yr 2 and Yr 6 with more children achieving greater depth in RWM
- To plan, monitor and evaluate all Pupil Premium spending to ensure maximum impact.
- To ensure all staff are developed and supported to be successful and effective.
- The KIND team effectively supports vulnerable children and families
- To develop the governing bodies of both schools, building on strengths and move forward with joining DEMAT.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 18 December 2017 and signed on its behalf by:

.....
R G Hodgkinson
Chair of Trustees

ELVEDEN CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The 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 Elveden Church of England Primary Academy 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
P Brooks	0	1
J Flack	2	6
A Grimes	6	6
R G Hodgkinson	5	6
J Jones	1	1
D Kane	2	6
L Rourke	6	6
N Cogan	4	6

REVIEW OF VALUE FOR MONEY

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

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

All expenditure is focused on improving standards through:

- Ensuring consistency, through a range of CPD, across all age phases to implement school policies and procedures.
- Identifying new ways to overcome specific barriers to learning for disadvantaged pupils, this includes counselling, ELSA support, Lexia, Accelerated reader.
- Being part of the SEND Hub to support all children to achieve. By targeting resources carefully, we aim to close the gap between disadvantaged pupils and all others.
- To ensure the school is well resourced for all children to receive a high quality education.
- Governors play an active role in overseeing all financial decisions. They evaluate decisions taken in the light of their impact on pupil achievement and progress. They monitor expenditure to ensure that the school is secure financially and that risks are minimised.

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint TWR Accountants Limited, an independent firm of accountants, as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account / bank reconciliations

On a termly basis, the internal auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees 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 18 December 2017 and signed on their behalf, by:

.....
R G Hodgkinson
Chair of Trustees

.....
L Rourke
Accounting Officer

ELVEDEN CHURCH OF ENGLAND PRIMARY ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Elveden Church of England Primary Academy 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.

.....
L Rourke
Accounting Officer

Date: 18 December 2017

ELVEDEN CHURCH OF ENGLAND PRIMARY ACADEMY
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 18 December 2017 and signed on its behalf by:

.....
R G Hodgkinson
Chair of Trustees

ELVEDEN CHURCH OF ENGLAND PRIMARY ACADEMY
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	89	-	-	89	744
Charitable activities	3	15,547	461,298	-	476,845	475,543
Other trading activities	4	1,200	3,180	-	4,380	20,300
Investments	5	83	-	-	83	120
TOTAL INCOME		16,919	464,478	-	481,397	496,707
EXPENDITURE ON:						
Charitable activities		5,428	488,364	39,375	533,167	497,929
TOTAL EXPENDITURE	8	5,428	488,364	39,375	533,167	497,929
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	11,491 (16,062)	(23,886) 3,782	(39,375) 12,280	(51,770) -	(1,222) -
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(4,571)	(20,104)	(27,095)	(51,770)	(1,222)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	20,000	-	20,000	(19,000)
NET MOVEMENT IN FUNDS		(4,571)	(104)	(27,095)	(31,770)	(20,222)
RECONCILIATION OF FUNDS:						
Total funds brought forward		85,898	(3,078)	762,316	845,136	865,358
TOTAL FUNDS CARRIED FORWARD		81,327	(3,182)	735,221	813,366	845,136

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REGISTERED NUMBER: 08327233

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	14		735,221		762,316
CURRENT ASSETS					
Stocks	15	1,051		536	
Debtors	16	30,906		40,446	
Cash at bank and in hand		113,356		115,311	
			145,313	156,293	
CREDITORS: amounts falling due within one year	17	(35,168)		(37,473)	
NET CURRENT ASSETS			110,145		118,820
TOTAL ASSETS LESS CURRENT LIABILITIES			845,366		881,136
Defined benefit pension scheme liability	22		(32,000)		(36,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			813,366		845,136
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	28,818		32,922	
Restricted fixed asset funds	18	735,221		762,316	
Restricted income funds excluding pension liability		764,039		795,238	
Pension reserve		(32,000)		(36,000)	
Total restricted income funds			732,039		759,238
Unrestricted income funds	18		81,327		85,898
TOTAL FUNDS			813,366		845,136

The financial statements on pages 17 to 42 were approved by the Trustees, and authorised for issue, on 18 December 2017 and are signed on their behalf, by:

.....
R G Hodgkinson
Chair of Trustees

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	20	10,242	42,117
Cash flows from investing activities:			
Dividends, interest and rents from investments		83	120
Purchase of tangible fixed assets		(12,280)	(9,967)
Net cash used in investing activities		(12,197)	(9,847)
Change in cash and cash equivalents in the year		(1,955)	32,270
Cash and cash equivalents brought forward		115,311	83,041
Cash and cash equivalents carried forward	21	113,356	115,311

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

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

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Going concern

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

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

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

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

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

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

All expenditure is inclusive of irrecoverable VAT.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.6 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

1.7 Tangible fixed assets and depreciation

All assets costing more than £250 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold Land	-	over lease term
Leasehold Buildings	-	4% straight line
Furniture and equipment	-	20% straight line
Computer equipment	-	25% straight line

The academy is party to an underlease agreement for the school property. The underlease is for a period of 125 years from 1 January 2013 and substantially all the risks and rewards of ownership have been transferred to the academy for £nil rental. As such, the school property was recognised as a fixed asset in the financial statements for the period ended 31 August 2013 at a depreciated replacement cost of £809,000 (the corresponding entry was recognised as voluntary income). The depreciated replacement cost was based upon a desktop valuation carried out by Mouchel on behalf of the EFA at 31 March 2013.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.8 Interest receivable

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

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Liabilities and provisions

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. 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 note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.12 Taxation

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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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.

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

In assessing the carrying value of tangible fixed assets the Trustees estimate the anticipated useful lives and residual values of the assets. There have been no significant revisions to these estimations in the current financial year.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	<i>Total funds 2016 £</i>
Donations	89	-	-	89	744
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total 2016</i>	744	-	-	744	
	<hr/>	<hr/>	<hr/>	<hr/>	

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	401,273	401,273	392,607
Pupil Premium	-	17,040	17,040	23,280
Devolved Formula Capital	-	4,889	4,889	4,911
PE and Sports grant	-	8,335	8,335	8,345
Universal Infant Free School Meals	-	17,010	17,010	17,810
Reception Baseline Assessment	-	-	-	39
Rates relief	-	-	-	1,782
	-	448,547	448,547	448,774
Other government grants				
SEN funding	-	12,751	12,751	11,501
	-	12,751	12,751	11,501
Other income from the academy trust's educational operations				
Catering income	8,511	-	8,511	7,907
School Fund and trip income	7,036	-	7,036	7,361
	15,547	-	15,547	15,268
	15,547	461,298	476,845	475,543
<i>Total 2016</i>	15,307	460,236	475,543	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Forest Academy recharge	-	-	-	18,437
Other Income	1,200	3,180	4,380	1,863
	1,200	3,180	4,380	20,300
<i>Total 2016</i>	20,300	-	20,300	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Interest Received	83	-	83	120
<i>Total 2016</i>	120	-	120	

6. DIRECT COSTS

	Total 2017 £	Total 2016 £
FRS 102 Pension adjustment (see note 13)	1,000	1,000
Teaching resources	12,880	18,038
Staff development and training	8,178	9,173
Curriculum services	16,149	7,571
Payments to other schools	15,590	16,165
Agency - direct staff	525	1,805
Wages and salaries	253,805	248,301
National insurance	16,953	14,479
Pension cost	25,237	28,720
	350,317	345,252
<i>At 31 August 2016</i>	345,252	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. SUPPORT COSTS

	Total 2017 £	<i>Total 2016 £</i>
Rent and rates	1,583	898
Advertising and recruitment	1,020	150
Light, heat and water	6,338	4,779
Admin costs	16,417	18,085
Bank charges	59	57
Insurance	6,530	7,841
Maintenance of property and equipment	12,192	11,875
Catering costs	21,842	20,971
Computer costs	2,844	2,786
Staff travel, subsistence and expenses	4,326	845
School fund and trip expenditure	6,101	6,295
Auditors' remuneration	2,700	2,625
Auditors' remuneration - non-audit	5,213	5,404
Legal and professional fees	520	2,315
Wages and salaries	26,037	12,297
National insurance	357	(27)
Pension cost	29,396	15,301
Depreciation	39,375	40,180
	<u>182,850</u>	<u>152,677</u>
<i>At 31 August 2016</i>		<u>152,677</u>

During the year ended 31 August 2017, the academy incurred the following Governance costs of **£8,463** (2016 - £10,344).

8. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	<i>Total 2016 £</i>
Educational activities:					
Direct costs	295,995	-	54,322	350,317	345,252
Support costs	55,790	44,289	82,771	182,850	152,677
	<u>351,785</u>	<u>44,289</u>	<u>137,093</u>	<u>533,167</u>	<u>497,929</u>
<i>Total 2016</i>	<u>319,071</u>	<u>40,984</u>	<u>137,874</u>	<u>497,929</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned or leased	39,375	40,180
Auditors' remuneration - audit	2,700	2,625
Auditors' remuneration - other services	5,213	5,404
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	278,793	252,821
Social security costs	17,309	14,452
Operating costs of defined benefit pension schemes	54,633	44,021
	<u>350,735</u>	<u>311,294</u>
Supply teacher costs	1,050	7,777
	<u><u>351,785</u></u>	<u><u>319,071</u></u>

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

	2017 No.	2016 No.
Teachers	5	6
Administration and support	10	11
Management	1	1
	<u>16</u>	<u>18</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	4	4
Administration and support	6	5
Management	1	1
	<u>11</u>	<u>10</u>

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

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

Employer pension contributions of **£7,542** (2016 - £10,665) were made to the Teachers' Pension Scheme on behalf of the above employee.

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was **£113,512** (2016 - £75,380).

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NOTES TO THE FINANCIAL STATEMENTS
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11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017	2016
		£	£
L Rourke (Head of School and Trustee)	Remuneration	65,000-70,000	<i>60,000-65,000</i>
	Pension contributions paid	5,000-10,000	<i>10,000-15,000</i>
J Jones (Staff Trustee)	Remuneration		<i>5,000-10,000</i>
	Pension contributions paid		<i>0-5,000</i>

During the year ended 31 August 2017, expenses totalling £1,001 (2016 - £326) were reimbursed to 3 Trustees (2016 - 2).

12. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £250 (2016 - £250).

13. FRS 102 PENSION INTEREST

	2017	2016
	£	£
Interest income on pension scheme assets	1,000	<i>1,000</i>
Interest on pension scheme liabilities	(2,000)	<i>(2,000)</i>
	(1,000)	<i>(1,000)</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

	Leasehold Property £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2016	809,000	53,530	28,490	891,020
Additions	-	8,369	3,911	12,280
At 31 August 2017	809,000	61,899	32,401	903,300
Depreciation				
At 1 September 2016	76,897	31,560	20,247	128,704
Charge for the year	23,432	11,447	4,496	39,375
At 31 August 2017	100,329	43,007	24,743	168,079
Net book value				
At 31 August 2017	708,671	18,892	7,658	735,221
At 31 August 2016	732,103	21,970	8,243	762,316

15. STOCKS

	2017 £	2016 £
Uniform stock	1,051	536

16. DEBTORS

	2017 £	2016 £
Trade debtors	4,000	-
VAT recoverable	17,165	16,467
Prepayments and accrued income	9,741	23,979
	30,906	40,446

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17. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	7,692	14,130
Other taxation and social security	5,884	5,361
Other creditors	3,565	5,368
Accruals and deferred income	18,027	12,614
	<hr/> 35,168 <hr/>	<hr/> 37,473 <hr/>
	 2017	 2016
	£	£
Deferred income		
Deferred income at 1 September 2016	6,118	7,781
Resources deferred during the year	7,648	6,118
Amounts released from previous years	(6,118)	(7,781)
	<hr/> 7,648 <hr/>	<hr/> 6,118 <hr/>

The Universal Infant Free School Meal funding received in July 2017 which relates to the 2017/18 academic year has been deferred.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds						
School Fund	4,092	7,035	(5,428)	-	-	5,699
General funds						
General Fund	81,806	9,884	-	(16,062)	-	75,628
Total Unrestricted funds	85,898	16,919	(5,428)	(16,062)	-	81,327
Restricted funds						
General Annual Grant (GAG)	-	401,273	(393,201)	(8,072)	-	-
Pupil Premium	19,188	17,040	(26,203)	-	-	10,025
PE and Sports grant	12,850	8,335	(2,392)	-	-	18,793
Devolved Formula Capital	-	4,889	(4,889)	-	-	-
Rates relief	884	-	(1,583)	699	-	-
Universal Infant Free School Meals	-	17,010	(17,010)	-	-	-
SEN funding	-	12,751	(12,751)	-	-	-
Malawi project	-	3,180	(3,335)	155	-	-
Pension reserve	(36,000)	-	(27,000)	11,000	20,000	(32,000)
	(3,078)	464,478	(488,364)	3,782	20,000	(3,182)
Restricted fixed asset funds						
Capital assets transferred from LA on conversion	732,103	-	(23,432)	-	-	708,671
Capital expenditure from DFC	5,178	-	(3,511)	-	-	1,667
Capital expenditure from GAG	22,449	-	(11,544)	12,280	-	23,185
Capital expenditure from Pupil Premium	2,586	-	(888)	-	-	1,698
	762,316	-	(39,375)	12,280	-	735,221
Total restricted funds	759,238	464,478	(527,739)	16,062	20,000	732,039
Total of funds	845,136	481,397	(533,167)	-	20,000	813,366

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Designated funds						
School Fund	2,176	7,362	(5,446)	-	-	4,092
	<u>2,176</u>	<u>7,362</u>	<u>(5,446)</u>	<u>-</u>	<u>-</u>	<u>4,092</u>
General funds						
General Fund	54,956	29,109	-	(2,259)	-	81,806
	<u>54,956</u>	<u>29,109</u>	<u>-</u>	<u>(2,259)</u>	<u>-</u>	<u>81,806</u>
Total Unrestricted funds	<u>57,132</u>	<u>36,471</u>	<u>(5,446)</u>	<u>(2,259)</u>	<u>-</u>	<u>85,898</u>
Restricted funds						
General Annual Grant (GAG)	-	397,629	(383,159)	(14,470)	-	-
Pupil Premium	19,826	23,280	(20,680)	(3,238)	-	19,188
PE and Sports grant	7,871	8,345	(3,366)	-	-	12,850
Devolved Formula Capital	-	4,911	(4,911)	-	-	-
Rates relief	-	1,782	(898)	-	-	884
Universal Infant Free School Meals	-	12,788	(12,788)	-	-	-
SEN funding	-	11,501	(11,501)	-	-	-
	(12,000)	-	(15,000)	10,000	(19,000)	(36,000)
	<u>15,697</u>	<u>460,236</u>	<u>(452,303)</u>	<u>(7,708)</u>	<u>(19,000)</u>	<u>(3,078)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Capital assets transferred from LA on conversion	757,773	-	(25,670)	-	-	732,103
Capital expenditure from DFC	10,326	-	(5,148)	-	-	5,178
Capital expenditure from GAG	24,194	-	(8,474)	6,729	-	22,449
Capital expenditure from Pupil Premium	236	-	(888)	3,238	-	2,586
	<u>792,529</u>	<u>-</u>	<u>(40,180)</u>	<u>9,967</u>	<u>-</u>	<u>762,316</u>
Total restricted funds	<u>808,226</u>	<u>460,236</u>	<u>(492,483)</u>	<u>2,259</u>	<u>(19,000)</u>	<u>759,238</u>
Total of funds	<u>865,358</u>	<u>496,707</u>	<u>(497,929)</u>	<u>-</u>	<u>(19,000)</u>	<u>845,136</u>

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

The **General Annual Grant (GAG)** is for the normal running costs of the Academy. The following transfers have been made from the GAG: **£11,000** to restricted pension reserve representing the cost of employer contributions towards the Local Government Pension Scheme, **£12,281** to the restricted fixed asset funds representing fixed assets purchased from GAG monies, **£854** to the rates relief fund and the Malawi project fund to clear the deficits arising and **£15,590** has been transferred to unrestricted funds, being income from Forest Academy for staff costs. A further transfer was made to the GAG fund from unrestricted reserves of **£31,653** to clear the deficit arising on the GAG fund.

The **Pupil Premium** income has been provided by the EFA to help raise the attainment of disadvantaged pupils.

The **PE and Sports grant** represents funding received towards the cost of improving PE provision. The balance on the P.E Grant will continue to be used for the cost of improving P.E provision and together with additional grant funding will pay for a Multi Use Games Area.

The **Devolved Formula Capital** fund relates to funding for the cost of minor capital works and ICT replacement.

Rates relief income was provided towards the cost of business rates of the academy.

The **Universal Infant Free School Meals** funding was received from the EFA to assist with the provision of free school meals to all children in Reception, Year 1 and Year 2.

The **SEN funding** has been received to support those pupils within the academy who have special educational needs.

The **Pension reserve** deficit at the period end was **£32,000** and represents the academy's share of the deficit of the Local Government Pension Scheme.

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

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	735,221	735,221
Current assets	81,327	63,985	-	145,312
Creditors due within one year	-	(35,167)	-	(35,167)
Provisions for liabilities and charges	-	(32,000)	-	(32,000)
	<u>81,327</u>	<u>(3,182)</u>	<u>735,221</u>	<u>813,366</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	762,316	762,316
Current assets	85,898	70,394	-	156,292
Creditors due within one year	-	(37,472)	-	(37,472)
Provisions for liabilities and charges	-	(36,000)	-	(36,000)
	<u>85,898</u>	<u>(3,078)</u>	<u>762,316</u>	<u>845,136</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(51,770)	(1,222)
Adjustment for:		
Depreciation charges	39,375	40,180
Dividends, interest and rents from investments	(83)	(120)
(Increase)/decrease in stocks	(515)	460
Decrease/(increase) in debtors	9,540	(13,682)
(Decrease)/increase in creditors	(2,305)	11,501
Defined benefit pension scheme cost less contributions payable	15,000	4,000
Defined benefit pension scheme finance cost	1,000	1,000
Net cash provided by operating activities	10,242	42,117

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	113,356	115,311
Total	113,356	115,311

22. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Suffolk Pension Fund. 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 £3,564 were payable to the schemes at 31 August 2017 (2016 - 4,882) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £27,111 (2016 - £31,359).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £16,000 (2016 - £13,000), of which employer's contributions totalled £12,000 (2016 - £10,000) and employees' contributions totalled £4,000 (2016 - £3,000). The agreed contribution rates for future years are 17.7% for employers and 5.5% - 12.5% for employees.

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

ELVEDEN CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	21.9	22.4
Females	24.4	24.4
Retiring in 20 years		
Males	23.9	24.3
Females	26.4	26.9

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	44,000	32,000
Corporate bonds	14,000	9,000
Property	6,000	5,000
Cash and other liquid assets	1,000	-
Total market value of assets	65,000	46,000

The actual return on scheme assets was £3,000 (2016 - £6,000).

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

	2017 £	2016 £
Current service cost	(27,000)	(14,000)
Interest income	1,000	1,000
Interest cost	(2,000)	(2,000)
Total	(28,000)	(15,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	82,000	39,000
Current service cost	27,000	14,000
Interest cost	2,000	2,000
Employee contributions	4,000	3,000
Actuarial (gains)/losses	(18,000)	24,000
	<hr/>	<hr/>
Closing defined benefit obligation	97,000	82,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 £	2016 £
Opening fair value of scheme assets	46,000	27,000
Interest income	1,000	1,000
Actuarial losses	2,000	5,000
Employer contributions	12,000	10,000
Employee contributions	4,000	3,000
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Closing fair value of scheme assets	65,000	46,000
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23. MEMBERS' LIABILITY

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

24. RELATED PARTY TRANSACTIONS

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

During the year services were provided between the academy and Forest Academy, an academy with governors in common.

A total of **£15,590** was payable to Forest Academy in the year ended 31 August 2017 (2016 - £16,165) for the supply of teaching and administration services. A total of **£600** was receivable from Forest Academy in the year to 31 August 2017 (2016 - £18,437).

At 31 August 2017 the academy owed Forest Academy **£3,656** (2016 - £2,209).