

Registered number: 08235194 (England and Wales)

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)



ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL

(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

StJohn Russell
Rev Lorna Brabin-Smith
Rita Laughton

Trustees / Governors

Headteacher	Linda Joy Hardy
Chair of Governors	StJohn Russell
Chair of Finance & Audit Committee	Rita Laughton
	Gareth James
	Anne Agger (resigned 24 February 2016)
	Holly Battisson
	Gary Fern (resigned 28 October 2015)
	Helen Francis
	Lorna Brabin-Smith (resigned 24 February 2016)
	Madeleine Loftus (resigned 25 October 2016)
	Nisha Pancholi
	Rina Patel
	Sarah Shell
	Steph Simpkin
	Stephen Hampson (resigned 1 November 2015)
	Tony Pick
	Matthew Walters (appointed 8 June 2016)
	Dan Wale (appointed 25 October 2016)
	Vanessa Dixon (appointed 8 June 2016)

Company secretary

Becky McCallister (resigned 31 December 2015)
Vanessa Yardley (appointed 25 April 2016)

Senior Management Team:

Headteacher	Linda Joy Hardy
Deputy Headteacher	Tracey Lidgett
Deputy Headteacher	Helen Francis
Director of finance and administration	Vanessa Yardley

Company Name

Queniborough Church of England Primary School

Principal and registered office

Queniborough Church of England Primary School, Coppice Lane, Queniborough, Leicester, LE7 3DR

Company registered number

8235194

Independent auditors

MHA MacIntyre Hudson, 11 Merus Court, Meridian Business Park, Leicester, LE19 1RJ

Bankers

The Co-operative Banking Group, 2nd Floor, 1 Balloon Street, Manchester, M60 4EP

Solicitors

Legal Services Leicestershire County Council, County Hall, Glenfield, Leicestershire LE3 8RA

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy for pupils aged 4 to 11 serving a catchment area in Queniborough. It has a pupil capacity of 210 and had a roll of 207 in the school census on 1 October 2016.

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 Queniborough Church of England Primary School Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Queniborough Church of England Primary School.

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

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance was £240.

Method of Recruitment and Appointment or Election of Trustees

The number of Governors shall be not less than 3 or more than 17 except for appointments of Additional Governors made by the Secretary of State.

Recruitment of Governors is outlined in the Memorandum of Association. The appointment of staff Governors is via a process of a staff ballot. Appointment of Parent Governors is made via parent ballot.

The Articles of Association states the Academy Trust shall have the following Governors:

- up to 1 Local Authority Governor if appointed under Article 51;
- 6 Parent Governors appointed under Articles 53-58;
- 2 Staff Governors appointed under Article 58A;
- 4 Foundation Governors appointed under Article 58B;
- the Principal or Headteacher;
- any Additional Governors, if appointed under Article 62, 62A or 68A;
- any Further Governors, if appointed under Article 63 or Article 68A; and
- The Academy Trust may also have any Co-opted Governor(s) appointed under Article 59.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Governing Body is made up of committees:

- Finance and Audit
- Creative Curriculum and Standard
- Personnel and Liaison
- Health and Safety
- Staffing and Salaries

Policies and Procedures Adopted for the Induction and Training of Trustees

Governor induction training alongside a menu of extensive specialised training is available through the local network of schools to support all new Governors and The Syston and Thurmaston Education Partnership (STEP). The Academy buys into the Local Authority Governor Development Service who across the Governing Body offers further Governor training. A skills matrix has been developed to identify areas of strength and weakness.

Organisational Structure

Under the Education Funding Agency (EFA) "Scheme for Financing Schools", the Governing Body is responsible for the control of expenditure and income in accordance with the delegation of budgets and assisting the EFA in the discharge of its statutory duties. The Governing Body has in turn delegated the Governors' financial responsibilities to the Finance and Audit Committee. The Headteacher - the Accounting Officer; shall be responsible for implementing agreed policies and maintaining day-to-day control of the school finances and accounts. The School Business Manager shall assist the Headteacher in the discharge of financial responsibilities. However, the Governing Body will remain accountable when Governors' financial responsibilities are delegated. The Headteacher and Business Manager are responsible for reporting to the Governing Body any material weakness or breakdowns in internal controls.

Arrangement for setting pay and remuneration of key management personnel

The performance progression of the Headteacher, will be considered by the Pay Committee on the recommendation of the Chair of Governors with advice from the External Adviser. Leadership posts must demonstrate sustained high quality of performance, with particular regard to leadership, management and pupil progress at the School and will be subject to a review of performance against objectives before any pay progression will be awarded.

Related Parties and other Connected Charities and Organisations

The school worked very closely with local schools in the area forming the Syston and Thurmaston Education Partnership (STEP). Our school is a member of the STEP Teaching School Alliance. School to School support is strong and staff coordinators attend a variety of curriculum and support groups within STEP. We are also part of a local group of four schools accessing funding from the Ogden Trust to develop the 'Sharman Scientists' science initiative locally.

The school is proud of its Christian heritage and continues to build on relationships with the church and community. As the current holders of the 'National Primary Winner Church Schools Award' the school continues to develop both local and international partnerships. The school achieved an 'Outstanding' grade in our SIAMS Inspection in May 2016.

Friends of Queniborough School (FOQS) are the School's PFTA. They raise funds for the school through planned events. The focus on fundraising during 2015-2016 was on helping to improve outdoor play facilities. Charity and fundraising is something our pupils love to be engaged in helping many good causes.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

OBJECTIVES AND ACTIVITIES

Objects and Aims

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education.

Our School aims to develop among all children:

- confidence, self-esteem and an awareness among pupils of their own feelings and the feelings of others
- physical health, mental health, wellbeing and quality of life
- skills, knowledge and personal qualities that will prepare them for adult life
- lively enquiring minds with the ability to question, hypothesise, argue rationally, make decisions and apply themselves to tasks, including physical activities
- high levels of attainment in English, Mathematics, Science and ICT
- the ability to use language, number, scientific and information communication technology skills effectively in a variety of contexts
- to encourage the morals and values of the Christian faith as expected of a Church of England school
- an understanding and respect for moral and religious values, for all individuals, for the world's many ethnic and religious groups and for people having any form of disability, including children with special educational needs
- knowledge and appreciation of the world and an understanding of the interdependence of individuals, groups and nations
- an appreciation of human achievements

These aims will be reflected in all we do in our teaching and dealings with pupils and parents.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, Strategies and Activities

PRIORITY 1: To provide sufficient opportunities for pupils to develop their writing skills in subjects other than English

- To analyse data for underachievers. To implement strategies, interventions and demonstrate progress made
- To ensure curriculum provision and classroom environment is appealing to all, especially underachievers
- To develop high quality writing across the curriculum
- To research use of blogs etc. to make writing more fun and engaging for all

PRIORITY 2: To continue to increase attainment and progress of High Achieving Pupils

- To improve rates of progress and challenge for identified High Achieving Pupils in English and Maths.

PRIORITY 3: To continue to increase attainment and progress through evaluation of current marking policy and teacher feedback

- To ensure all teaching staff are adhering to current marking policy
- To analyse feedback comments and impact on children's learning
- Marking Policy reviewed and updated to recognise in year evaluation

PRIORITY 4: To further develop the role of subject and other leaders to support senior leaders in checking and evaluating pupils' progress and thus help raise further pupils' achievement

- Subject leaders produce action plan for year pertinent to their subject area using standard format
- Analyse staff feedback to highlight potential CPD requirements
- Subject leader has overview of planning to ensure coverage in new curriculum
- Maths and English subject leaders develop understanding of data in new assessment procedures
- Subject leaders monitoring role developed
- Leaders ensure adequate resources are in place

SIAMS PRIORITIES

- To further develop the role of the Governing Body to play a major role in evaluation
- Encourage pupils in their leadership role through the school council, the assembly group, and other groups
- Develop a variety of outdoor facilities including a reflection area
- Ensure that worship takes place on 'Golden Book' day

Public Benefit

In setting objectives the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

STRATEGIC REPORT

Achievements and Performance

Key Performance indicators

EYFS:

Evidence of good age related progress in this cohort but not clearly reflected in end of year profile analysis as 60% - Good level of development

Phonics-Yr 1

82% achieved required mark-

KS1 National Tests

READING EXPECTED	School 67%	NA 74%
WRITING EXPECTED	School 50%	NA 65%
MATHS EXPECTED	School 67%	NA 73%

KS2 National Tests

READING EXPECTED	School 68%	NA 66%	GREATER DEPTH	School 21%	NA 19%
WRITING EXPECTED	School 68%	NA 74%	GREATER DEPTH	School 7 %	NA 15%
MATHS EXPECTED	School 64%	NA 70%	GREATER DEPTH	School 25%	NA 17%
GPS EXPECTED	School 75%	NA 72%	GREATER DEPTH	School 36%	NA 22%
RWM EXPECTED	School 57%	NA 53%			

Achievements

Attainment at Queniborough CE Primary School is in line with National. This year is the first year in measuring children against new assessment criteria and results are not to be judged in isolation.

In October 2014 the school was rated as 'good' by OFSTED. The overall quality of teaching is good with some outstanding elements. Pupils are motivated to learn and a large majority of pupils make good progress across the school. Pupil behaviour is very good. There is a strong sense of pride in the school and this contributes well to the caring and supportive ethos of the school. During 2015-16 attendance was above the national average at 96.8%. The school continuously focuses on raising the school performance and educational outcomes for all its pupils. The school attracts several children with disabilities and families with quite complex social issues.

The school works very closely with local schools in the area forming the Syston and Thurmaston Education Partnership. Our group now incorporates the STEP Teaching School Alliance. School to School support is strong and staff coordinators attend a variety of curriculum and support groups within STEP. We are also part of a local group of four schools accessing funding from the Ogden Trust to develop the 'Sharman Scientists' science initiative locally.

The school is proud of its Christian heritage and continues to build on relationships with the church and community. As the current holders of the 'National Primary Winner Church Schools Award' the school continues to develop both local and international partnerships.

Friends of Queniborough School (FOQS) are the School's PTA. They raise funds for the school through planned events. The focus on fund raising during 2015-2016 was on helping to improve outdoor play facilities. Charity and fundraising is something our pupils love to be engaged in helping many good causes.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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.

Financial review

At 31 August 2016 the total funds comprised:

	£
Unrestricted	2,000
Designated	30,000
Restricted: Fixed Asset funds	949,000
GAG	85,000
Pension reserve	<u>(441,000)</u>
Total	<u>625,000</u>

The financial performance is currently considered to be good, the reduction of the minimum funding guarantee may affect this going forward and strategies will be put in place to ensure this does not affect the financial performance of the Academy. The Academy is continuing to increase the number of participants which in turn will continue to help improve the financial position of the Academy. The School Development Plan outlines future aims and objectives indicate how and where resources will be spent or targeted in future years. The Academy continues to ensure children's learning is at the forefront.

Reserves Policy

It is the Policy of Queniborough Church of England Primary School that cashflow should be monitored by the Business Manager and Headteacher. The Academy target is a reserve of £60,000 this amount equates to approximately one month's expenditure.

Any surpluses at the end of the year will be carried over to the following year. The Governing Body must inform the EFA immediately if a deficit is anticipated in the current year.

Investment Policy

The Governing Body shall authorise all investment of money under its control. Investment in Building Society and Bank Deposit Accounts shall be in the name of the school. This is an item agenda at each Finance and Audit Committee meeting.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Principal Risks and Uncertainties

Internal Controls – Risk Management

The system of internal control is designed to manage risk. A thorough Risk Management Assessment has been conducted using guidelines provided by the EFA and has been assessed and approved via Finance and Audit Committee along with the Statement of Internal Control. The assessment involved identifying the types of risk the Academy faces, prioritising them into operational and financial impacts, assessing the likelihood of the occurrence and the impact that the occurrence will have on the Academy, putting in place controls to mitigate such risks. Whilst reviewed via the Finance and Audit Committee on an annual basis the Risk Register is a live document which will be reviewed regularly with Governors and Management.

Capacity to handle Risk

The Academy provides training for Trustees through Leicestershire County Council Governor Development Service.

Risk and Control

The Academy maintains and operates a system of internal control to safeguard all the resources delegated, granted or otherwise entrusted and ensures they are used cost effectively. The systems of internal control have been developed and coordinated by the Business Manager and Headteacher (Accounting Officer). The aim is to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that any errors or regularities are either prevented or can be detected promptly.

Review of Effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During Year ended 31 August 2016 the review has been informed by:

- The Finance and Audit Committee
- The Internal Auditor
- The Education Funding Agency Auditor
- The External Auditor

The Accounting Officer has been advised of any implication of the result of their review of the system of internal control by the both the internal Auditor and external Auditor. Action plans are in place to address weakness and ensure continuous improvement of the systems in place.

PLANS FOR FUTURE PERIODS

The School Development Plan for 2016-2017 has several targets including:

1. To raise attainment in writing
2. To increase attainment of children in Key Stage 1

The School aims to sustain the improved standard in mathematics through the Mathematics Mastery programme, and to make more effective use, make improvements to the building and grounds to enhance current facilities and the experience of staff and learners.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL'S AIMS AND OBJECTIVES for 2016-17
EXTRACTED FROM SCHOOL DEVELOPMENT PLAN

PRIORITY 1. To raise attainment in writing in line with expectations of the New Curriculum

Objectives:

- Analysis of writing tests/ books taken place to identify gaps in learning
- To ensure teaching of writing is consistently at least 'good'
- To ensure the development of reliable systems for assessment so pupils are assessed accurately and this informs next steps in learning
- To ascertain pupil's voice about writing in school and any hindrances to progress identified
- To ensure classroom environments are stimulating and provide writing support scaffolding for pupils
- To raise profile of literacy around school and develop enthusiasm for writing
- Higher achieving and SEN pupils are identified and challenged appropriately
- To ensure the current Year 6 cohort is on track to achieve targets set
- Children are prepared appropriately for external assessments in both Key Stages
- To ensure staff are secure in judgements of KPIs and judgements are secure
- To ensure that writing is integrated in other areas of the curriculum

PRIORITY 2. To continue to develop partnership work with the Parent Body

Objectives:

- To evaluate and assess results of recent Parent Questionnaire to endeavour to keep parents fully informed about events in school
- To ensure parents feel fully informed about their child's progress in school
- To give parents the opportunity to be fully informed about their child's experiences during a school day
- To provide guidance and information to help parents support their children's and their own learning
- To promote enrichment opportunities for joint parent/child participation
- To further develop effective home/school links

PRIORITY 3: To continue to develop assessment and tracking systems in school reflecting national changes

Objectives:

- To ensure all teaching staff are adhering to current marking policy
- To analyse feedback comments and impact on children's learning
- Marking Policy reviewed and updated to recognise in year evaluation
- To implement in year tracking system to ensure progress of individuals is measurable and tracked

SIAMS PRIORITIES

Objectives:

- To develop pupils leadership skills beyond school to share practice with parents, local Christian communities and the network of Church schools.

The school will continue to make improvements to the building and grounds to enhance current facilities and the experience of staff and learners.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Queniborough Church of England Primary School intends to maintain the ethos of the School and strategically ensure the most effective use of resources. By ensuring good management of Financial Resources, Administration, Management of Information, ICT Resource, Human Resource, Facility and Property Management and Health and Safety. To achieve the best possible outcomes whilst effectively make best use and getting best value of the available resources.

Queniborough Church of England Primary School has been part of the Syston and Thurmaston Education Partnership. Some of the schools in this group have now become part of Multi Academy Trusts. Although we have considered moving towards a MAT, we have decided that we wish to remain a standalone Academy at the moment. We have recently formed alliance with local church schools to work together on procurement, development, support and training.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold funds for any other organisations.

Auditor

In so far as the Trustees are aware:

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

The Auditors MHA MacIntyre Hudson have expressed their willingness to continue in the office and appointment will be proposed at the next full Board meeting.

Trustees' report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 24 November 2016 and signed on the Board's behalf by:

.....
StJohn Russell
Chair of Trustees

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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Queniborough Church of England Primary School 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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Queniborough CE Primary School 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 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows (Full Trust Board and Finance and Audit)

Trustee	Meetings attended	Out of a possible
Linda Joy Hardy	10	10
Rita Laughton	8	10
Gareth James	7	10
Anne Agger	2	3
Holly Battisson	3	5
Gary Fern	0	1
Helen Francis	4	5
Lorna Brabin-Smith	3	3
Madeliene Loftus	6	10
Nisha Pancholi	7	10
Rina Patel	2	5
StJohn Russell	7	10
Sarah Shell	4	5
Vanessa Dixon	4	5
Matthew Walters	2	4
Steph Simpkin	1	5
Stephen Hampson	1	5

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Governance reviews:

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2016 the review has been informed by:

- The Finance and Audit Committee
- The Internal Auditor
- The Education Funding Agency Auditor
- The External Auditor

The Accounting Officer has been advised of any implication of the result of their review of the system of internal control by the Internal Auditor. Action plans are in place to address weakness and ensure continuous improvement of the systems in place.

The Finance and Audit committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Provide guidance and assistance to the Head and Governing Body in all matters relating to budget and finance within an agreed framework
- To determine and review financial systems and procedures, in line with prevailing regulations
- To consider the budgetary implications of the annual School Development Plan
- To oversee arrangements for obtaining quotations and inviting tenders in line with regulations
- To ensure annual audits are carried out and results reported to Full Board
- To review policy documents relating to Financial Regulations, Lettings, Charging and Best Value
- To ensure insurance arrangements are appropriate and sufficient
- To be aware of funding opportunities and how these can be accessed
- To authorise all write-offs and disposals of surplus stock and equipment in accordance with regulations and annual inventory check
- To monitor conditions of school premises and grounds regularly and report to Full Board with proposals for repairs, maintenance and decoration in line with agreed financial allocations
- To work with the Headteacher and others to develop a long term plan for improving facilities and premises for all school users
- To report termly to Full Board to ratify all decisions made in committee

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Gareth James	4	5
Rita Laughton	5	5
Maddeliene Loftus	2	5
Nisha Pancholi	3	5
Joy Hardy	5	5
Vanessa Dixon	3	3
Matthew Walters	1	2
StJohn Russell	4	5
Rebecca McAllister – Business Manager	0	1
Vanessa Yardley – Business Manager	3	3

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

REVIEW OF VALUE FOR MONEY

As Accounting Officer the Headteacher has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcome achieved in return for the taxpayer resources received.

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

- Income Generation – letting the premises for community use
- Improving Resources for Pupils – Upgrading the ICT suite together with up-to-date computers and iPads to enrich the learning environment and improve outcomes
- Governance - comprehensive budgeting and monitoring systems with an annual budget and periodic reports which were reviewed and agreed by the Trust Board. Regular reviews by the Finance and Audit Committee of reports which indicated financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes

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 on-going 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 Queniborough Church of England Primary School for the year ended 31 August 2016 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 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ended 31 August 2016 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 Finance and Audit 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

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- identification and management of risks.

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Audit Department as internal auditor.

The internal auditor'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 systems
- testing of purchase systems
- testing of control account/bank reconciliations

On an annual basis the audit service reports to the Board of Trustees, through the Finance and Audit Committee, the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Leicestershire County Council visited and carried out an internal audit of the school's systems. No major areas of concern were found. Recommendation were made and taken to the Finance and Audit Committee for review and an action plan formulated.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self assessment process
- the work of the Business Manager 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 Finance and Audit 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 date 24 November 2016 and signed on its behalf by:

.....
Mrs LJ Hardy
Accounting Officer

.....
StJohn Russell
Chair of Trustees

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016

As Accounting Officer of Queniborough Church of England Primary School I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.

.....
Mrs LJ Hardy
Accounting Officer

24 November 2016

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of Queniborough Church of England Primary School 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 published by the Education 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 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 and signed on its behalf by:

.....
StJohn Russell
Chair of Trustees

24 November 2016

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**

We have audited the financial statements of Queniborough Church Of England Primary School for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' Responsibilities, as set out on page 16, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Robert Nelson BA FCA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business
Park Leicester
LE19 1RJ

15 December 2016

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION FUNDING
AGENCY**

In accordance with the terms of our engagement letter dated 20 September 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Queniborough Church Of England Primary School during the year ended 31 August 2016 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 Queniborough Church Of England Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Queniborough Church Of England Primary School and the EFA 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 Queniborough Church Of England Primary School and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Queniborough Church Of England Primary School's funding agreement with the Secretary of State for Education dated 1 November 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 ended 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusions includes:

- reviewing the information in the Financial Management and Governance Self-assessment (FMGS) and making appropriate enquiries of the, Headteacher, Accounting Officer;
- a review of the objectives and activities of the Academy, with reference to the income streams and other

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION FUNDING
AGENCY (continued)**

- information available to us as auditors of the Academy;
- testing of a sample of grants received and other income streams;
 - testing of a sample of payments to suppliers and other third parties;
 - testing of a sample of payroll payments to staff;
 - evaluating the internal control procedures and reporting lines, and testing as appropriate; and
 - reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.

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 ended 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant
MHA MacIntyre Hudson

Chartered Accountants

11 Merus Court
Meridian Business
Park Leicester
LE19 1RJ

15 December 2016

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
INCOME FROM:						
Donations and capital grants	2	7	-	2	9	231
Other trading activities	3	19	-	-	19	20
Funding for Academy Trust educational operations	4	-	1,013	15	1,028	958
TOTAL INCOME		26	1,013	17	1,056	1,209
EXPENDITURE ON:						
Raising funds	5	11	-	-	11	40
Academy Trust educational operations	6	-	1,005	31	1,036	935
TOTAL EXPENDITURE	7	11	1,005	31	1,047	975
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	15 (32)	8 (216)	(14) 248	9 -	234 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
Actuarial losses on defined benefit pension schemes	22	-	(99)	-	(99)	(5)
NET MOVEMENT IN FUNDS		(17)	(307)	234	(90)	229
RECONCILIATION OF FUNDS:						
Total funds brought forward		49	(49)	715	715	486
TOTAL FUNDS CARRIED FORWARD		32	(356)	949	625	715

The notes on pages 25 to 48 form part of these financial statements.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08235194

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£000	2016 £000	£000	2015 £000
FIXED ASSETS					
Tangible assets	13		975		715
CURRENT ASSETS					
Debtors	14	30		31	
Cash at bank and in hand		161		371	
		<u>191</u>		<u>402</u>	
CREDITORS: amounts falling due within one year	15	(65)		(56)	
NET CURRENT ASSETS			<u>126</u>		<u>346</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,101</u>		<u>1,061</u>
CREDITORS: amounts falling due after more than one year	16		(35)		(35)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>1,066</u>		<u>1,026</u>
Defined benefit pension scheme liability	22		(441)		(311)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>625</u>		<u>715</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	85		262	
Restricted fixed asset funds	17	949		715	
Restricted income funds excluding pension liability		<u>1,034</u>		<u>977</u>	
Pension reserve		(441)		(311)	
Total restricted income funds			<u>593</u>		<u>666</u>
Unrestricted income funds	17		32		49
TOTAL FUNDS			<u>625</u>		<u>715</u>

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the Trustees, and authorised for issue, on 24 November 2016 and are signed on their behalf, by:

.....
StJohn Russell
Chair of Trustees

.....
J Hardy
Accounting Officer

The notes on pages 25 to 48 form part of these financial statements.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>75</u>	<u>231</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(291)	(45)
Capital grants from DfE/EFA		<u>6</u>	<u>44</u>
Net cash used in investing activities		<u>(285)</u>	<u>(1)</u>
Cash flows from financing activities:			
Cash inflows from new borrowing		<u>-</u>	<u>37</u>
Net cash provided by financing activities		<u>-</u>	<u>37</u>
Change in cash and cash equivalents in the year		(210)	267
Cash and cash equivalents brought forward		<u>371</u>	<u>104</u>
Cash and cash equivalents carried forward	20	<u><u>161</u></u>	<u><u>371</u></u>

The notes on pages 25 to 48 form part of these financial statements.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Financial Statements are prepared in £ sterling, the functional currency, rounded to the nearest £1,000.

First time adoption of FRS 102

These financial statements are the first financial statements of Queniborough Church Of England Primary School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Queniborough Church Of England Primary School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

1.2 Going concern

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

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants are included in the Statement of Financial Activities 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 meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised 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 the receipt is probable, there are no performance related conditions and the amount can be reliably measured.

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. 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 are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long leasehold property improvements	-	2% Straight line per annum
Long leasehold land	-	125 years over the period of the lease
Fixtures and fittings	-	20% Straight line per annum
Computer equipment	-	33.3% Straight line per annum

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

1.6 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.7 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.

1.8 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.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.9 Debtors

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

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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 recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

1.12 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

1.13 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

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.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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.

1.14 Licence to occupy

The Trustees of Queniborough Church of England Primary School, in agreement with the Board of Education of the Diocese of Leicester, occupy buildings, swimming pool and some open land on a rent free licence. Full details of the arrangement are detailed in note 13.

The Directors have considered the guidance in the Academies Accounts Direction in relation to properties occupied under licence. Having considered the arrangements under which the Academy Trust is occupying the land and buildings, for the reasons given in note 13, the Directors have concluded that the arrangement should not be included as an asset on the balance sheet and the Directors have not included any value of land or buildings in the financial statements.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgement

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

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 annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. See note 13 for the carrying amount of fixed assets, and note 1.5 for the useful economic lives for each class of assets.

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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

1.16 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 the Department for Education 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 Department for Education and Education Funding Agency..

Investment income, gains and losses are allocated to the appropriate fund.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Donations	7	-	2	9	8
Capital grants	-	-	-	-	223
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	<u>7</u>	<u>-</u>	<u>2</u>	<u>9</u>	<u>231</u>

In 2015, of the total income from donations and capital grants, £8,000 was by way of unrestricted income and £223,000 restricted income.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Hire of facilities	10	-	10	10
Catering income	9	-	9	4
Other income	-	-	-	6
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>19</u>	<u>-</u>	<u>19</u>	<u>20</u>

In 2015, of the total income from other trading activities, £14,000 was by way of unrestricted income and £6,000 restricted income.

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4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
DfE/EFA grants				
General Annual Grant (GAG)	-	854	854	821
Pupil Premium	-	25	25	28
Capital grants	-	6	6	6
Other EFA/DfE grants	-	41	41	51
	-	926	926	906
Other government grants				
Local Authority grants	-	50	50	18
	-	50	50	18
Other funding				
Parental contributions and trips	-	19	19	25
Insurance claims	-	23	23	9
Big Lottery fund	-	10	10	-
	-	52	52	34
	-	1,028	1,028	958

In 2015, of the total income from charitable activities, £ *NIL* was by way of unrestricted income and £958,000 restricted income.

5. COSTS OF VOLUNTARY AND OTHER INCOME

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Catering	9	-	9	39
Swimming pool chemicals	2	-	2	1
	11	-	11	40

In 2015, of the total voluntary income, £5,000 was by way of unrestricted funds and £35,000 restricted funds.

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6. CHARITABLE ACTIVITIES

	Total funds 2016 £000	Total funds 2015 £000
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	526	493
National insurance	32	30
Pension cost	109	91
Depreciation	31	6
Educational supplies	19	19
Staff development	9	6
Other direct costs	24	16
Insurance	7	-
	757	661
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	78	82
National insurance	3	4
Pension cost	13	15
Pension finance costs (note 12)	12	11
Travel and subsistence	6	4
Maintenance of premises and equipment	47	38
Cleaning	4	5
Rent and rates	6	5
Energy costs	17	16
Insurance	8	22
Catering	24	-
Legal and professional	12	27
Other support costs	42	37
Governance costs	7	8
	279	274
	1,036	935

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NOTES TO THE FINANCIAL STATEMENTS
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7. TOTAL RESOURCES EXPENDED

	Staff costs	Premises	Other costs	Total	Total
	2016	2016	2016	2016	2015
	£000	£000	£000	£000	£000
Expenditure on raising voluntary income	-	-	11	11	40
Activities:					
Direct costs	667	23	67	757	661
Support costs	106	52	121	279	274
	<u>773</u>	<u>75</u>	<u>199</u>	<u>1,047</u>	<u>975</u>

In 2016, of the total expenditure, £11,000 (2015 - £5,000) was from unrestricted funds and £1,036,000 (2015 - £970,000) restricted funds.

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	2015
	£000	£000
Depreciation of tangible fixed assets:	31	6
Auditor's remuneration - audit	8	7
Governance Internal audit costs	1	1
	<u>40</u>	<u>14</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£000	£000
Wages and salaries	603	557
Social security costs	35	34
Operating costs of defined benefit pension schemes	123	106
	<u>761</u>	<u>697</u>
Supply teacher costs	-	18
Pension finance costs (note 12)	12	11
	<u>773</u>	<u>726</u>

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

	2016	2015
	No.	No.
Management	4	4
Teaching staff	10	11
Support staff	27	27
	<u>41</u>	<u>42</u>

Average number expressed as a full time equivalent:

	2016	2015
	No.	No.
Management	4	4
Teaching staff	7	8
Support staff	14	14
	<u>25</u>	<u>26</u>

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

The Key Management Personnel of the Academy Trust comprise the Staff Trustees and the Senior Leadership Team as listed on page 1. The total amount of employer benefits (including employer pension contributions) received by Key Management Personnel for their services to the Academy Trust was £203,652 (2015 - £202,406).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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:

		2016	2015
		£000	£000
L Hardy, Headteacher	Remuneration	55-60	55-60
	Pension contributions paid	5-10	5-10
H Frances, Staff Governor	Remuneration	40-45	40-45
	Pension contributions paid	5-10	5-10
S Shell, Staff Governor	Remuneration	10-15	10-15
	Pension contributions paid	0-5	0-5

During the year 4 Trustees received reimbursement of expenses of £676 (2015 - £86, 3 Trustees).

Other related party transactions involving the Trustees are set out in note 24.

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 £3,000,000 on any one claim and the cost for the year ended 31 August 2016 was £241 (2015 - £1,243).

12. PENSION FINANCE COSTS

	2016	2015
	£000	£000
Interest income on pension scheme assets	12	10
Interest on pension scheme liabilities	(24)	(20)
	(12)	(10)

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

	Leasehold property improvements £000	Leasehold land £000	Assets under construction £000	Fixtures and fittings £000	Computer equipment £000	
Cost						
At 1 September 2015	73	600	38	3	11	
Additions	238	-	-	13	40	
Transfer between classes	38	-	(38)	-	-	
	<u>349</u>	<u>600</u>	<u>-</u>	<u>16</u>	<u>51</u>	
Depreciation						
At 1 September 2015	3	-	-	1	6	
Charge for the year	2	18	-	3	8	
	<u>5</u>	<u>18</u>	<u>-</u>	<u>4</u>	<u>14</u>	
Net book value						
At 31 August 2016	<u>344</u>	<u>582</u>	<u>-</u>	<u>12</u>	<u>37</u>	
At 31 August 2015	<u>70</u>	<u>600</u>	<u>38</u>	<u>2</u>	<u>5</u>	
						Total £000
Cost						
At 1 September 2015					725	
Additions					291	
Transfer between classes					-	
					<u>1,016</u>	
Depreciation						
At 1 September 2015					10	
Charge for the year					31	
					<u>41</u>	
Net book value						
At 31 August 2016					<u>975</u>	
At 31 August 2015					<u>715</u>	

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13. TANGIBLE FIXED ASSETS (continued)

The Trustees of Queniborough Church of England Primary School, in agreement with the Board of Education of the Diocese of Leicester, occupy the buildings, swimming pool and some open land of the Academy on a rent free licence. This continuing permission of the Board of Education is pursuant to, and subject to, the Board's charitable objects. The licence delegates aspects of the management of the land (and buildings) to the Academy Trust company for the time being, but does not vest any rights over the land in the Academy Trust company. The terms of this licence have been agreed between the Secretary of State and the Trustees of Queniborough Church of England Primary School and contain a termination clause on the Trustees of Queniborough Church of England Primary School by the Board of Education giving two years notice. The Academy is responsible for the maintenance and insurance of the land and buildings.

The land and buildings at Queniborough Church of England Primary School included with in the agreement were valued by the Leicestershire County Council external valuation service, which carried out a full valuation to the value of £714,000.

Long leasehold land is valued at £600,000 (2015: £600,000) on conversion in 2012 by Leicestershire County Council, Andrea Hopkins MRICS, using the depreciated replacement cost method.

The freehold of the land is owned by Leicestershire County Council. The Academy holds a 125 year lease on a peppercorn rent from 2012.

14. DEBTORS

	2016	2015
	£000	£000
Trade debtors	-	1
VAT Recoverable	11	8
Prepayments and accrued income	19	22
	30	31
	30	31

15. CREDITORS: Amounts falling due within one year

	2016	2015
	£000	£000
Other loans	2	2
Other creditors	12	10
Taxation and social security	15	11
Accruals and deferred income	36	33
	65	56
	65	56

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

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

	2016	2015
	£000	£000
Deferred income		
Deferred income at 1 September 2015	23	20
Resources deferred during the year	13	23
Amounts released from previous years	(23)	(20)
	13	23
Deferred income at 31 August 2016	13	23

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals income for the 2016/17 academic year.

**16. CREDITORS:
Amounts falling due after more than one year**

	2016	2015
	£000	£000
Other loans	35	35
	35	35

Included within the above are amounts falling due as follows:

	2016	2015
	£000	£000
Between one and two years		
Other loans	5	5
	5	5
Between two and five years		
Other loans	14	14
	14	14
Over five years		
Other loans	16	16
	16	16

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

	2016	2015
	£000	£000
Repayable by instalments	16	16
	16	16

Included within other creditors more than one year is a loan of £35,000 from the Education Funding Agency under the Conditional Improvement Fund. This is repayable over 8 years.

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

	As restated Brought forward £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Carried forward £000
Designated funds						
Designated Funds - swimming pool	-	-	-	30	-	30
General funds						
Unrestricted funds	49	26	(11)	(62)	-	2
Total unrestricted funds	49	26	(11)	(32)	-	32
Restricted funds						
General Annual Grant (GAG)	72	854	(812)	(30)	-	84
Other DfE/EFA grants	-	41	(41)	-	-	-
Devolved Formula Capital	-	1	-	-	-	1
Pupil Premium	4	25	(29)	-	-	-
Capital grants	186	-	-	(186)	-	-
Local Authority	-	50	(50)	-	-	-
Other income	-	42	(42)	-	-	-
LGPS defined benefit pension scheme	(311)	-	(31)	-	(99)	(441)
	(49)	1,013	(1,005)	(216)	(99)	(356)
Restricted fixed asset funds						
Net book value of fixed assets	715	17	(31)	274	-	975
EFA capital grants unspent	-	-	-	11	-	11
CIF loan	-	-	-	(37)	-	(37)
	715	17	(31)	248	-	949
Total restricted funds	666	1,030	(1,036)	32	(99)	593
Total of funds	715	1,056	(1,047)	-	(99)	625

The £30,000 carried forward balance in the designated fund has been specifically set aside to fund swimming pool repairs.

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

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

General Annual Grant (GAG)

Funds from the Education Funding Agency for the provision of education, in line with the funding agreement.

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 2016. Transfers of £30,000 from GAG funding, £186,000 CIF funding and £32,000 from unrestricted funds to the restricted fixed asset fund represents contributions towards the fixed asset additions and CIF loan.

Other DfE/EFA Grants

Other funds provided by the DfE/EFA for particular purposes within the Academy's educational operations.

Pupil Premium

Additional funds from the Education Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

Other grants

These are funds and grants received from the Local Authority and other institutions for use on specific educational projects.

Other income

These consist of income from all other sources to be used primarily for the Academy's educational operations.

LGPS Defined Benefit Pension Scheme

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately.

Restricted fixed asset funds

The net book value of fixed asset fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The unspent CIF capital grant fund has been created to recognise unspent capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the restricted fixed assets fund.

The CIF loan balance represents the SALIX loan liability which was received as part of the CIF funding received for the purchase of tangible fixed assets. As repayments are made against this liability, a transfer will be made from restricted funds against the CIF loan fund.

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Tangible fixed assets	-	-	975	975	715
Current assets	32	148	11	191	402
Creditors due within one year	-	(63)	(2)	(65)	(56)
Creditors due in more than one year	-	-	(35)	(35)	(35)
Provisions for liabilities and charges	-	(441)	-	(441)	(311)
	<u>32</u>	<u>(356)</u>	<u>949</u>	<u>625</u>	<u>715</u>

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

	2016 £000	2015 £000
Net income for the year (as per Statement of Financial Activities)	9	234
Adjustment for:		
Depreciation charges	31	6
Increase in debtors	-	(5)
Increase in creditors	10	11
Capital grants from DfE and other capital income	(6)	(44)
Defined benefit pension scheme cost less contributions payable	19	18
Defined benefit pension scheme finance cost	12	11
Net cash provided by operating activities	<u>75</u>	<u>231</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £000	2015 £000
Cash in hand	161	371
Total	<u>161</u>	<u>371</u>

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21. CAPITAL COMMITMENTS

At 31 August 2016 the Academy had capital commitments as follows:

	2016	2015
	£000	£000
Contracted for but not provided in these financial statements	-	224

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 Leicestershire 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 2013.

Contributions amounting to £12,000 were payable to the schemes at 31 August 2016 (2015 - £11,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public 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

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22. PENSION COMMITMENTS (continued)

- 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 will be as at March 2016, 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 £61,000 (2015 - £51,000).

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).

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 2016 was £55,000 (2015 - £49,000), of which employer's contributions totalled £43,000 (2015 - £38,000) and employees' contributions totalled £12,000 (2015 - £11,000). The agreed contribution rates for future years are 21.4% for employers and between 5.5% and 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:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	3.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %
Inflation assumption (CPI)	2.10 %	2.60 %

Sensitivity analysis

The sensitivities regarding the principal assumption used to measure the scheme liabilities are set out below:

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22. PENSION COMMITMENTS (continued)

Change in assumptions at 31 August 2016	Approximate increase to Employer liability (%)	Approximate monetary amount (£000)
0.5% decrease in real discount rate	12	104
1 year increase in member life expectancy	3	26
0.5% increase in the salary increase rate	4	35
0.5% increase in the pension increase rate	8	66

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

	2016	2015
Retiring today		
Males	22.2	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.6

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	300	196
Debt instruments	75	62
Property	38	33
Cash	4	6
Total market value of assets	<u>417</u>	<u>297</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(62)	(56)
Interest on pension liabilities	(12)	(10)
Total	<u>(74)</u>	<u>(66)</u>
Actual return on scheme assets	<u>69</u>	<u>10</u>

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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:

	2016	2015
	£000	£000
Opening defined benefit obligation	608	525
Current service cost	62	56
Interest cost	24	20
Actuarial losses	156	6
Contribution by employees	12	11
Benefits paid	(4)	(10)
	<hr/>	<hr/>
Closing defined benefit obligation	858	608
	<hr/> <hr/>	<hr/> <hr/>

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

	2016	2015
	£000	£000
Opening fair value of scheme assets	297	248
Interest income	12	10
Actuarial gains and (losses)	57	-
Contributions by employer	43	38
Contributions by employees	12	11
Benefits paid	(4)	(10)
	<hr/>	<hr/>
Closing fair value of scheme assets	417	297
	<hr/> <hr/>	<hr/> <hr/>

23. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£000	£000
Amounts payable:		
Within 1 year	3	9
Between 1 and 5 years	6	9
	<hr/>	<hr/>
Total	9	18
	<hr/> <hr/>	<hr/> <hr/>

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
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24. RELATED PARTY TRANSACTIONS

The Trustees of Queniborough Church of England Primary School, in agreement with the Board of Education of the Diocese of Leicester, occupy buildings and some open land on a rent free licence, the terms of which have been agreed between the Secretary of State and the Trustees of Queniborough Church of England Primary School, and within which is contained a termination clause on the Trustees of Discovery Schools Academies Limited by the Board of Education giving two years notice. Full details of the arrangement are detailed in note 13.

Riteclean Limited is a company in which M Walters, a Governor, is a director. Transactions totalling £540 (2015 - £900) were incurred in the year, of which £90 was incurred after M Walters was appointed a Governor.

25. CONTROLLING PARTY

The Academy is ultimately controlled by the Governing Body, which includes the Headteacher and assistant heads.

26. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have share capital.

27. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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28. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	1 September 2014 £000	31 August 2015 £000
Total funds under previous UK GAAP	486	715
Total funds reported under FRS 102	<u>486</u>	<u>715</u>

Reconciliation of net income before other gains and losses	Note	31 August 2015 £000
Net income previously reported under UK GAAP		240
Defined benefit pension scheme finance cost	A	(6)
Net income reported under FRS 102		<u>234</u>

Explanation of changes to previously reported funds and net income/expenditure:

Under previous UK GAAP the Academy Trust accounted for an expected return on plan assets. FRS102 requires the expected return on scheme assets to be analysed between two components; interest income on plan assets and other actuarial gains on plan assets.

A Under FRS102 the latter component of the expected return on scheme assets, other actuarial gains, is reported within actuarial gains and losses in the Statement of Financial Activities rather than being accounted for in arriving at net income or expenditure for the year, as it was under previous UK GAAP.

The effect of the change has been to reduce reported net income for the year. Actuarial losses for the year have decreased correspondingly. Net movement in funds reported in the year is unchanged.