

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 2017

**Queniborough Church of England Primary School
(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

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Queniborough Church of England Primary School
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

StJohn Russell
Carolyn Lewis – The Diocese of Leicester Education Trust
Jacob Shell

Trustees

Principal	Linda Joy Hardy
Chair of Governors	StJohn Russell
Chair of Finance & Audit Committee	Rita Laughton
	Gareth James
	Holly Battisson
	Helen Frances
	Nisha Pancholi
	Sarah Shell
	Steph Simpkin
	Grant Mills (appointed 22 February 2017)
	Matthew Walters
	Dan Wale (appointed 25 October 2016)
	Vanessa Dixon
	Rina Patel (resigned 25 October 2016)
	Madeleine Loftus (resigned 25 October 2016)
	Tony Pick (resigned 22 February 2017)

Company secretary

Vanessa Yardley

Senior Management Team:

Principal	Linda Joy Hardy
Deputy Principal	Tracey Lidgett
Deputy Principal	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
Lloyds Bank plc, High Street, Leicester, LE1 9FS.

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 2017

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period 1 September 2017 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates 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 203 in the school census on 5 October 2017.

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 £258.

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 Articles. The appointment of Staff Governors is via a process of a staff ballot. Appointment of Parent Governors is made via parent ballot.

**Queniborough Church of England Primary School
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

The Article of Association state that the Academy Trust shall have the following Governors:

- up to 1 LA 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; and
- any Further Governors, if appointed under Article 63 or Article 68A.

The Academy Trust may also have any Co-opted Governor(s) appointed under Article 59.

The Governing Body is made up of committees:

- Finance & Audit
- Creative Curriculum & Standard
- Personnel & Liaison
- Health & Safety
- Staffing & 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 which across the Governing Body offers further Governor training. A skills matrix is being developed to identify areas of strength and weakness.

Organisational Structure

Under the Education and Skills Funding Agency (ESFA) “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 ESFA in the discharge of its statutory duties. The Governing Body has in turn delegated the Governors’ financial responsibilities to the Finance & 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 an external advisor. 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 rewarded.

Senior staff members performance will be reviewed by the Headteacher against the school’s pay policy they 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 rewarded.

**Queniborough Church of England Primary School
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Related Parties and other Connected Charities and Organisations

The school works very closely with local schools in the area forming the Syston and Thurmaston Education Partnership and 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.

Friends of Queniborough School (FOQS) are the School's PTA. They raise funds for the school through planned events. The focus on fundraising during 2016-2017 was on helping to improve outdoor play facilities. Charity and fundraising is something our pupils love to be engaged in helping many good causes.

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 ("the Academy").

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; and
- an appreciation of human achievements.

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

**Queniborough Church of England Primary School
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Objectives, Strategies and Activities

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

Objectives

1. Analysis of writing tests/ books taken place to identify gaps in learning.
2. To ensure teaching of writing is consistently at least 'good'.
3. To ensure the development of reliable systems for assessment so pupils are assessed accurately and this informs next steps in learning.
4. To ascertain pupils voice about writing in school and any hindrances to progress identified.
5. To ensure classroom environments are stimulating and provide writing support scaffolding for pupils.
6. To raise profile of literacy around school and develop enthusiasm for writing.
7. Higher achieving and SEN pupils are identified and challenged appropriately.
8. To ensure the current Year 6 cohort is on track to achieve targets set.
9. Children are prepared appropriately for external assessments in both Key Stages.
10. To ensure staff are secure in judgements of KPIs and judgements are secure.
11. 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:

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

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

Objectives:

1. To ensure all teaching staff are adhering to current marking policy.
2. To analyse feedback comments and impact on children's learning.
3. Marking Policy reviewed and updated to recognise in year evaluation.
4. 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.

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

Public Benefit

In setting objectives the Governors 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.

STRATEGIC REPORT

Achievements and Performance

EYFS:

Evidence of good age related progress in this cohort but not clearly reflected in end of year profile analysis as 63% - Good level of development.

Phonics-Yr 1

77% achieved required mark

KS1 National Tests

READING	Expected	School 84%	NA 76%	READING	Greater Depth	School 31%	NA 25%
WRITING	Expected	School 72%	NA 68%	WRITING	Greater Depth	School 14%	NA 16%
MATHS	Expected	School 76%	NA 75%	MATHS	Greater Depth	School 24%	NA 21%

KS2 National Tests

READING	Expected	School 63%	NA 70%	READING	Greater Depth	School 13%	NA 20%
WRITING	Expected	School 75%	NA 76%	WRITING	Greater Depth	School 13%	NA 18%
MATHS	Expected	School 69%	NA 75%	MATHS	Greater Depth	School 19%	NA 23 %
GPS	Expected	School 78%	NA 77%	GPS	Greater Depth	School 38%	NA 31%
RWM	Expected	School 53%	NA 61%	RWM	Greater Depth	School 6%	NA 9%

Achievements

Attainment at Queniborough CE Primary School is good.

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 2016-17 attendance was above the national average at 95.93%. 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.

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.

**Queniborough Church of England Primary School
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

FINANCIAL REVIEW

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. It indicates 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. A reserve of £40,000 equates to approximately one month's expenditure. The Academy currently has a reserve of £83,000 – although this is expected to fall to the Policy target of £40,000 in the next 2-3 years due to a reduction in funding. The Academy also has a designated reserve of £24,000 for buildings improvement.

Any surpluses at the end of the year will be carried over to the following year. The Governing Body must inform the ESFA 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 of Building Society and Bank Deposit Accounts shall be in the name of the school. This is an agenda item at each Finance & Audit Committee meeting.

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 ESFA and has been assessed and approved via the Finance & 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 & 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 risk 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.

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

Review of Effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2017 the review has been informed by:

- The Finance & Audit Committee
- The Internal Auditor
- The Education and Skills 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 ESFA 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:

PRIORITY 1. To ensure all recommendations from the recent Safeguarding Audit are actioned.

PRIORITY 2. To raise attainment in Mathematics particularly in KS2.

PRIORITY 3. To further develop reading skills across the school.

PRIORITY 4: To further develop assessment and tracking systems of vulnerable groups in school.

PRIORITY 5: To review policy and systems to ensure a whole school ethos and environment that supports the emotional and mental health of pupils, staff and the wider school community.

SIAMS Priorities

To develop pupil's leadership skills beyond school to share practice with parents, local Christian communities and the network of Church Schools.

Queniborough Church of England Primary School intend 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 making best use and getting best value of the available resources.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold funds for any other organisations

**Queniborough Church of England Primary School
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Auditor

In so far as the governors 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 auditor MHA MacIntyre Hudson have expressed their willingness to continue in the office and appointment them will be proposed at the next full Board meeting.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 23 November 2017 and signed on the board's behalf by:

.....
StJohn Russell
Chair of Governors

**Queniborough Church of England Primary School
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**GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017**

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 responsibility assigned to it in the funding agreement between Queniborough Church of England 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 controls.

GOVERNANCE STATEMENT

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 4 times during the year. Attendance during the year of the Board of Trustees was as follows;

Trustee	Meetings attended	Out of possible
Linda Joy Hardy	4	4
Rita Laughton	4	4
Gareth James	3	4
Holly Battisson	2	4
Helen Frances	2	4
Nisha Pancholi	4	4
StJohn Russell	4	4
Sarah Shell	4	4
Vanessa Dixon	4	4
Matthew Walters	4	4
Steph Simpkin	2	4
Dan Wale	2	4
Grant Mills	2	2

The Trustees have considered the quality of the data they receive and consider it to be adequate for the purposes of overseeing the work of the Academy. Their assessment has been made having regard to externally validated data which is consistent with that received from within the Academy and data provided by the work of the internal and external auditors.

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Governance reviews

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During Year ended 31 August 2017 the review has been informed by:

- The Finance & Audit Committee
- The Internal Auditor
- The Education and Skills 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 & Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

- Provide guidance and assistance to the Headteacher 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 Head and others to develop a long term plan for improving facilities and premises for all school users; and
- 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
Rita Laughton	5	5
Gareth James	2	5
StJohn Russell	5	5
Nisha Pancholi	2	5
Matt Walters	2	5
Vanessa Dixon	5	5
Joy Hardy	5	5
Vanessa Yardley	5	5

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

REVIEW OF VALUE FOR MONEY

As Accounting Office 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 of ICT equipment;
- Governance – comprehensive budgeting and monitoring systems including introducing a new budget planning tool. Regular reviews by the Finance & Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programs

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 CofE Primary School for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy 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 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy 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 & 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;

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided 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; and
- testing of control account/bank reconciliations.

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

The Leicestershire County Council Auditor visited and carried out an internal audit of the schools systems. No major areas of concern were found. Recommendation were made and taken to the Finance & Audit Committee for review and an action planned 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; and
- the work of the Business Manager within the Academy Trust who has 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 & 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 23 November 2017 and signed on its behalf by:

.....
Mrs LJ Hardy
Accounting Officer

.....
St John Russell
Chair of Governors

**Queniborough Church of England Primary School
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2017**

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and Secretary of state. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust 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 2016.

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

.....
Mrs LJ Hardy
Headteacher (Accounting Officer)

23 November 2017

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:

.....
StJohn Russell
Chair of Trustees

Date: 23 November 2017

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

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

OPINION

We have audited the financial statements of Queniborough Church Of England Primary School for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, as set out on page 15, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's 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
19 December 2017

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

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

In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Queniborough Church Of England Primary School during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Queniborough Church Of England Primary School and the ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Queniborough Church Of England Primary School and the ESFA, 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

The work undertaken to draw our conclusions includes:

- a review of the objectives and activities of the Academy, with reference to the income streams and other 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 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

11 Merus Court
Meridian Business Park
Leicester
LE19 1RJ

19 December 2017

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 2017**

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
INCOME FROM:						
Donations and capital grants	2	5	-	124	129	9
Funding for Academy Trust educational operations	3	4	973	6	983	1,028
Other trading activities	4	16	-	-	16	19
TOTAL INCOME		25	973	130	1,128	1,056
EXPENDITURE ON:						
Raising funds	5	3	-	-	3	11
Academy Trust educational operations	6	-	1,033	36	1,069	1,036
TOTAL EXPENDITURE	7	3	1,033	36	1,072	1,047
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
		22	(60)	94	56	9
Transfers between Funds	17	(6)	(18)	24	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		16	(78)	118	56	9
Actuarial gains/(losses) on defined benefit pension schemes	22	-	171	-	171	(99)
NET MOVEMENT IN FUNDS		16	93	118	227	(90)
RECONCILIATION OF FUNDS:						
Total funds brought forward		32	(356)	949	625	715
TOTAL FUNDS CARRIED FORWARD		48	(263)	1,067	852	625

The notes on pages 25 to 49 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 2017

	Note	£000	2017 £000	£000	2016 £000
FIXED ASSETS					
Tangible assets	13		1,102		975
CURRENT ASSETS					
Debtors	14	46		30	
Cash at bank and in hand		121		161	
		<u>167</u>		<u>191</u>	
CREDITORS: amounts falling due within one year	15	(63)		(65)	
NET CURRENT ASSETS			104		126
TOTAL ASSETS LESS CURRENT LIABILITIES			1,206		1,101
CREDITORS: amounts falling due after more than one year	16		(32)		(35)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			1,174		1,066
Defined benefit pension scheme liability	22		(322)		(441)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			852		625
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	59		85	
Restricted fixed asset funds	17	1,067		949	
Restricted income funds excluding pension liability		<u>1,126</u>		<u>1,034</u>	
Pension reserve		(322)		(441)	
Total restricted income funds			804		593
Unrestricted income funds	17		48		32
TOTAL FUNDS			852		625

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

BALANCE SHEET (continued)
AS AT 31 AUGUST 2017

The financial statements on pages 21 to 49 were approved by the Trustees, and authorised for issue, on 23 November 2017 and are signed on their behalf, by:

.....
StJohn Russell
Chair of Trustees

.....
J Hardy
Accounting Officer

The notes on pages 25 to 49 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 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	<u>(2)</u>	<u>75</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(163)	(291)
Capital grants from DfE/ESFA		125	6
Net cash used in investing activities		<u>(38)</u>	<u>(285)</u>
Change in cash and cash equivalents in the year		(40)	(210)
Cash and cash equivalents brought forward		<u>161</u>	<u>371</u>
Cash and cash equivalents carried forward	20	<u><u>121</u></u>	<u><u>161</u></u>

The notes on pages 25 to 49 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 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Queniborough Church Of England Primary School constitutes a public benefit entity as defined by FRS 102. It is a company limited by guarantee, incorporated in England. The address of the registered office and principal place of operations are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees' Report.

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

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 2017

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the funds, 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 of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

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

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

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities 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, a transfer is made to reflect these assets in the restricted fixed asset fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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	-	over the period of the lease
Fixtures and fittings	-	20% Straight line per annum
Computer equipment	-	33.3% Straight line per annum

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.

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 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 2017

1. ACCOUNTING POLICIES (continued)

1.8 Liabilities and provisions

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

1.9 Financial instruments

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

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

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

1.10 Pensions

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

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

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 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.

1.11 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 Trustees 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 Trustees have concluded that the arrangement should not be included as an asset on the Balance Sheet and the Trustees 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 2017

1. ACCOUNTING POLICIES (continued)

1.12 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The 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 the tangible 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.13 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 funder and includes grants from the Department for Education and the Education and Skills Funding Agency where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education and Skills 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 2017

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Donations	5	-	5	10	9
Capital grants	-	-	119	119	-
<i>Total 2016</i>	<u>7</u>	<u>-</u>	<u>2</u>	<u>9</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	854	854	854
Pupil Premium	-	27	27	25
Capital grants	-	6	6	6
Other ESFA/DfE grants	-	45	45	41
	<u>-</u>	<u>932</u>	<u>932</u>	<u>926</u>
Other government grants				
Local Authority grants	-	29	29	50
	<u>-</u>	<u>29</u>	<u>29</u>	<u>50</u>
Other funding				
Parental contributions and trips	-	18	18	19
Insurance claims	-	-	-	23
Big Lottery fund	-	-	-	10
Other	4	-	4	-
	<u>4</u>	<u>18</u>	<u>22</u>	<u>52</u>
	<u>4</u>	<u>979</u>	<u>983</u>	<u>1,028</u>
<i>Total 2016</i>	<u>-</u>	<u>1,028</u>	<u>1,028</u>	

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

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Hire of facilities	5	-	5	10
Catering income	11	-	11	9
	<u>16</u>	<u>-</u>	<u>16</u>	<u>19</u>
<i>Total 2016</i>	<u>19</u>	<u>-</u>	<u>19</u>	

5. COSTS OF ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Catering	2	-	2	9
Swimming pool chemicals	-	-	-	2
Uniforms	1	-	1	-
	<u>3</u>	<u>-</u>	<u>3</u>	<u>11</u>
<i>Total 2016</i>	<u>11</u>	<u>-</u>	<u>11</u>	

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

6. CHARITABLE ACTIVITIES

	Total funds 2017 £000	Total funds 2016 £000
DIRECT COSTS		
Wages and salaries	507	526
National insurance	38	32
Pension cost	134	109
Depreciation	33	31
Educational supplies	28	19
Staff development	6	9
Other direct costs	14	24
Insurance	7	7
Loss on disposal	3	-
	770	757
SUPPORT COSTS		
Wages and salaries	81	78
National insurance	5	3
Pension cost	16	13
Pension finance costs (note 12)	9	12
Travel and subsistence	5	6
Maintenance of premises and equipment	43	47
Cleaning	4	4
Rent and rates	6	6
Energy costs	11	17
Insurance	9	8
Catering	33	24
Legal and professional	30	12
Other support costs	40	42
Governance costs	7	7
	299	279
	1,069	1,036

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**NOTES TO THE FINANCIAL STATEMENTS
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7. EXPENDITURE

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Expenditure on raising voluntary income	-	-	3	3	11
Activities:					
Direct costs	679	18	73	770	757
Support costs	111	59	129	299	279
	<u>790</u>	<u>77</u>	<u>205</u>	<u>1,072</u>	<u>1,047</u>
<i>Total 2016</i>	<u>773</u>	<u>75</u>	<u>199</u>	<u>1,047</u>	

In 2017, of the total expenditure, £3,000 (2016 - £11,000) was from unrestricted funds, £1,033,000 (2016 - £1,005,000) from restricted funds and £36,000 (2016 - £31,000) from restricted fixed asset funds.

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets	33	31
Auditor's remuneration - audit	7	8
Operating lease rentals	3	-
	<u> </u>	<u> </u>

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9. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£000	£000
Wages and salaries	587	603
Social security costs	43	35
Operating costs of defined benefit pension schemes	151	123
	781	761
Pension finance costs (note 12)	9	12
	790	773

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

	2017	2016
	No.	No.
Management	4	4
Teaching staff	9	10
Support staff	26	27
	39	41

Average headcount expressed as a full time equivalent:

	2017	2016
	No.	No.
Management	4	4
Teaching staff	6	7
Support staff	13	14
	23	25

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 £203,050 (2016 - £203,652).

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10. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017	2016
		£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	15-20	10-15
	Pension contributions paid	0-5	0-5

During the year 3 Trustees received reimbursement of expenses of £42 (2016 - £676, 4 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 2017 was £258 (2016 - £241).

12. PENSION FINANCE COSTS

	2017	2016
	£000	£000
Interest income on pension scheme assets	9	12
Interest on pension scheme liabilities	(18)	(24)
	(9)	(12)

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

13. TANGIBLE FIXED ASSETS

	Leasehold property improvements £000	Leasehold land £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost					
At 1 September 2016	349	600	16	51	1,016
Additions	132	-	21	10	163
Disposals	-	-	-	(4)	(4)
At 31 August 2017	<u>481</u>	<u>600</u>	<u>37</u>	<u>57</u>	<u>1,175</u>
Depreciation					
At 1 September 2016	5	18	4	14	41
Charge for the year	8	5	5	15	33
On disposals	-	-	-	(1)	(1)
At 31 August 2017	<u>13</u>	<u>23</u>	<u>9</u>	<u>28</u>	<u>73</u>
Net book value					
At 31 August 2017	<u><u>468</u></u>	<u><u>577</u></u>	<u><u>28</u></u>	<u><u>29</u></u>	<u><u>1,102</u></u>
At 31 August 2016	<u><u>344</u></u>	<u><u>582</u></u>	<u><u>12</u></u>	<u><u>37</u></u>	<u><u>975</u></u>

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 (2016 - £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.

The value of the donated facility can not be reliably quantified and measured and accordingly no accounting adjustment has been made for this matter.

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

14. DEBTORS

	2017	2016
	£000	£000
VAT Recoverable	7	11
Prepayments and accrued income	39	19
	46	30
	46	30

15. CREDITORS: Amounts falling due within one year

	2017	2016
	£000	£000
Other loans	5	2
Other creditors	13	12
Taxation and social security	11	15
Accruals and deferred income	34	36
	63	65
	63	65
	2017	2016
	£000	£000
Deferred income		
Deferred income at 1 September 2016	13	23
Resources deferred during the year	25	13
Amounts released from previous years	(13)	(23)
	25	13
Deferred income at 31 August 2017	25	13

At the Balance Sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals income for the 2017/18 academic year.

Included within other loans falling due within one year is a loan of £5,000 (2016 - £2,000) from the Education and Skills Funding Agency under the Condition Improvement Fund. This is repayable over 8 years.

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

	2017	2016
	£000	£000
Other loans	32	35

Included within the above are amounts falling due as follows:

	2017	2016
	£000	£000
Between one and two years		
Other loans	5	5
Between two and five years		
Other loans	14	14
Over five years		
Other loans	13	16

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

	2017	2016
	£000	£000
Repayable by instalments	13	16

Included within other creditors more than one year is a loan of £32,000 (2016 - £35,000) from the Education and Skills 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	Balance at 31 August 2017 £000
Designated funds						
Designated Funds - swimming pool	30	-	-	(6)	-	24
General funds						
General funds	2	25	(3)	-	-	24
Total unrestricted funds	32	25	(3)	(6)	-	48
Restricted funds						
GAG	84	853	(861)	(17)	-	59
Other DfE/ESFA grants	-	45	(45)	-	-	-
Devolved Formula Capital	1	-	-	(1)	-	-
Pupil Premium	-	27	(27)	-	-	-
Other Government grants	-	30	(30)	-	-	-
Other income	-	18	(18)	-	-	-
LGPS defined benefit pension scheme	(441)	-	(52)	-	171	(322)
	(356)	973	(1,033)	(18)	171	(263)
Restricted fixed asset funds						
Net book value of fixed assets	975	11	(36)	152	-	1,102
ESFA capital grants unspent	11	119	-	(128)	-	2
CIF loan	(37)	-	-	-	-	(37)
	949	130	(36)	24	-	1,067
Total restricted funds	593	1,103	(1,069)	6	171	804
Total of funds	625	1,128	(1,072)	-	171	852

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

STATEMENT OF FUNDS - PRIOR YEAR

	As restated Brought forward £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2016 £000
Designated funds						
Designated Funds - swimming pool	-	-	-	30	-	30
	-	-	-	30	-	30
General funds						
Unrestricted funds	49	26	(11)	(62)	-	2
	49	26	(11)	(62)	-	2
Total Unrestricted funds	49	26	(11)	(32)	-	32
Restricted funds						
GAG	72	854	(812)	(30)	-	84
Other DfE/ESFA grants	-	41	(41)	-	-	-
Devolved Formula Capital	-	1	-	-	-	1
Pupil Premium	4	25	(29)	-	-	-
Capital grants	186	-	-	(186)	-	-
	-	50	(50)	-	-	-
Other income	-	42	(42)	-	-	-
LGPS defined benefit pension scheme	(311)	-	(31)	-	(99)	(441)
	(49)	1,013	(1,005)	(216)	(99)	(356)

QUENIBOROUGH CHURCH OF ENGLAND PRIMARY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Net book value of fixed assets	715	17	(31)	274	-	975
ESFA capital grants unspent	-	-	-	11	-	11
CIF loan	-	-	-	(37)	-	(37)
	<u>715</u>	<u>17</u>	<u>(31)</u>	<u>248</u>	<u>-</u>	<u>949</u>
Total restricted funds	<u>666</u>	<u>1,030</u>	<u>(1,036)</u>	<u>32</u>	<u>(99)</u>	<u>593</u>
Total of funds	<u><u>715</u></u>	<u><u>1,056</u></u>	<u><u>(1,047)</u></u>	<u><u>-</u></u>	<u><u>(99)</u></u>	<u><u>625</u></u>

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 2017. Transfers of £17,000 from GAG funding, £1,000 Devolved Formula Capital funding and £6,000 from unrestricted funds to the restricted fixed asset fund represents contributions towards the fixed asset additions.

Other DfE/ESFA Grants

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

Pupil Premium

Additional funds from the Education and Skills 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.

Other income

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

Pension reserve

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. Plans are in place to address this deficit.

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.

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

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.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education and Skills 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.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	1,102	1,102
Current assets	48	117	2	167
Creditors due within one year	-	(58)	(5)	(63)
Creditors due in more than one year	-	-	(32)	(32)
Provisions for liabilities and charges	-	(322)	-	(322)
	48	(263)	1,067	852
	48	(263)	1,067	852

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	2017	2016
	£000	£000
Net income for the year (as per Statement of Financial Activities)	56	9
Adjustment for:		
Depreciation charges	33	31
Loss on the sale of fixed assets	3	-
Increase in debtors	(16)	-
(Decrease)/increase in creditors	(5)	10
Capital grants from DfE and other capital income	(125)	(6)
Defined benefit pension scheme cost less contributions payable	43	19
Defined benefit pension scheme finance cost	9	12
	<hr/>	<hr/>
Net cash (used in)/provided by operating activities	(2)	75
	<hr/> <hr/>	<hr/> <hr/>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	2016
	£000	£000
Cash in hand	121	161
	<hr/>	<hr/>
Total	121	161
	<hr/> <hr/>	<hr/> <hr/>

21. CAPITAL COMMITMENTS

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

	2017	2016
	£000	£000
Contracted for but not provided in these financial statements	3	-
	<hr/> <hr/>	<hr/> <hr/>

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 2016.

Contributions amounting to £13,000 were payable to the schemes at 31 August 2017 (2016 - £12,000) and are included within creditors.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers Pension budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employers pension costs paid to TPS in the period amounted to £59,000 (2016 - £61,000).

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

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

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £62,000 (2016 - £55,000), of which employer's contributions totalled £49,000 (2016 - £43,000) and employees' contributions totalled £13,000 (2016 - £12,000). The agreed contribution rates for future years are 23.75% 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.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.40 %	3.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.40 %	2.10 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2017	2016
Retiring today		
Males	22.1	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	24.2
Females	26.2	26.6

Sensitivity analysis	At 31 August	At 31 August
	2017	2016
	£000	£000
Discount rate +0.1%	(20)	(21)
Discount rate -0.1%	20	21
Mortality assumption - 1 year increase	34	26
Mortality assumption - 1 year decrease	(34)	(26)
CPI rate +0.1%	17	13
CPI rate -0.1%	(17)	(13)

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

	Fair value at	Fair value at
	31 August	31 August
	2017	2016
	£000	£000
Equities	346	300
Bonds	103	75
Property	41	38
Cash and other liquid assets	26	4
	<hr/>	<hr/>
Total market value of assets	516	417
	<hr/> <hr/>	<hr/> <hr/>

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

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £000	2016 £000
Current service cost	(92)	(62)
Interest income	9	12
Interest cost	(18)	(24)
	-	-
Total	(101)	(74)
Actual return on scheme assets	45	69

The Academy expects to contribute £53,000 to its defined benefit pension scheme in 2018.

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

	2017 £000	2016 £000
Opening defined benefit obligation	858	608
Current service cost	92	62
Interest cost	18	24
Actuarial (gains)/losses	(135)	156
Contributions by employees	13	12
Benefits paid	(8)	(4)
Closing defined benefit obligation	838	858

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

	2017 £000	2016 £000
Opening fair value of scheme assets	417	297
Interest income	9	12
Actuarial gains	36	57
Employer contributions	49	43
Employee contributions	13	12
Benefits paid	(8)	(4)
Closing fair value of scheme assets	516	417

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

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

23. OPERATING LEASE COMMITMENTS

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

	2017	2016
	£000	£000
Amounts payable:		
Within 1 year	3	3
Between 1 and 5 years	3	6
Total	6	9

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 Queniborough Church of England Primary School 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 £Nil (2016 - £540) were incurred in the year, of which £Nil (2016 - £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.