

Registration number: 07673903

# Runwell Community Primary School Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019



**Edmund Carr LLP**  
Chartered Accountants & Statutory Auditor  
146 New London Road  
Chelmsford  
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THURSDAY



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# **Runwell Community Primary School Academy Trust**

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## **Runwell Community Primary School Academy Trust**

### **Reference and Administrative Details**

#### **Members**

Lisa Thompson (resigned 15 March 2019)  
Melissa Cookson  
Gill Hearsey (resigned 2 April 2019)  
Joanne Grace (appointed 9 October 2018 and resigned 22 July 2019)  
Nicola Kelly (appointed 9 October 2018)  
David Rahi (appointed 2 April 2019)  
Clifford Slater (appointed 2 April 2019)

#### **Governors (Trustees)**

Sasha Furze, Headteacher & Accounting Officer  
Joanne Madders, Company Secretary  
Sharon Brooks  
Christine Creek (resigned 3 December 2018)  
Gill Hearsey (resigned 2 April 2019)  
Lynn Barwell (resigned 8 December 2018)  
Melissa Cookson  
Lisa Thompson (resigned 15 March 2019)  
Sue Wise  
Jeremy Crook (resigned 11 December 2018)  
Joanne Grace (resigned 22 July 2019)  
Daniel Jones (resigned 21 May 2019)  
Nicola Kelly, Chair Person (Appointed as Chair 2 April 2019)  
Ryan Smith (appointed 16 July 2019)  
Catherine Hume (appointed 16 July 2019)  
Michael Graham (appointed 16 July 2019)  
David Rahi (appointed 2 April 2019)  
Clifford Slater (appointed 5 February 2019)  
Carleeann Barrett (appointed 10 December 2018)

## **Runwell Community Primary School Academy Trust**

### **Reference and Administrative Details (continued)**

<b>Company Secretary</b>	Joanne Madders
<b>Senior Management Team</b>	Lucy Seaman, Deputy Head Joanne Madders, School Business Manager Natasha Hatfield, Leader of KS1 Jacqueline Hampton, Leader of KS2 Sasha Furze, Headteacher Nikki Jupe, Inclusion Manager
<b>Headteacher and Registered Office</b>	Sasha Furze, Runwell Community Primary School Canewdon Gardens Runwell Wickford Essex SS11 7BJ
<b>Company Registration Number</b>	07673903
<b>Auditors</b>	Edmund Carr LLP Chartered Accountants & Statutory Auditor 146 New London Road Chelmsford Essex CM2 0AW
<b>Bankers</b>	Lloyds Bank PLC PO Box 1000 Andover BX1 1LT
<b>Solicitors</b>	Browne Jacobson LLP 44 Castle Gate Nottingham NG1 7BJ

## **Runwell Community Primary School Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2019**

The Trustees present their eighth report and the seventh financial statements and auditors' report of Runwell Community Primary School Academy Trust ("RCPS") for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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

##### ***Constitution***

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company is governed by the rules and regulations set down in its company Memorandum and Articles of Association dated 29th December 2014. The company registration number is 07673903.

The governors act as the trustees for the charitable activities of Runwell Community Primary School and are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served throughout the year except as noted 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceased to be a member.

##### ***Trustees' indemnities***

The charitable company has purchased governors' and officers' insurance, details of which are shown in note 10 to the financial statements.

##### ***Principal Activities***

The principal activity of RCPS is currently to run a primary school in Runwell for boys and girls, aged 3 to 11.

It has a capacity of 362 and a roll of 332 (including nursery) in the school census dated 01/10/2018.

RCPS also holds the accreditation for Thames Primary SCITT which offers PGCE and QTS to primary trainee teachers.

RCPS runs a school that was originally a local authority operated school that was founded in 1980 and converted to academy status on 1st August 2011. The charitable company was incorporated on 17th June 2011.

## **Runwell Community Primary School Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

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

The governing body is responsible for arranging the recruitment of, and for the appointment of, Parent and Community Governors. New governors will be appointed to the board in accordance with the rules and regulations set down in the company Memorandum and Articles of Association.

Nominations for Parents Governors are sought from parents/guardians of pupils at the school. Any contested election is decided by a secret ballot. Nominations for Community Governors may be sought from governors, staff, parents/guardians of pupils at the school and from those in the local community. The nominee must be from the community served by the school. All nominees (Parent or Community) must be committed to the good governance and success of the school.

Where possible, governors are recruited on the skills that they will bring to the governing body based on a proposal to the governing body or based on a proposal to the governing body by representative groups.

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

All new governors will meet with the Headteacher, receive a tour of the school and the chance to meet with the staff and pupils. New governors will be allocated an existing governor who will act as a mentor. All governors are provided with copies of policies, procedures, minutes, financial statements and budgets, plans and other documents that they will need to undertake their role.

During the year, governors are offered to attend a variety of training courses, network meetings and conferences, organised by various bodies, in order to ensure that their knowledge and understanding is fully up to date.

## **Runwell Community Primary School Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### ***Organisational structure***

The governors are responsible for setting and monitoring the overall strategic direction of the academy trust, approving decisions reserved to governors and appointing key members of staff. The governing body allows for a minimum of 6 Community Governors, 2 Parent Governors and 2 staff Governors (excluding the Headteacher), 1 Headteacher.

The governors meet as a whole body at least six times each year. All decisions reserved to the governors are taken by whole governing body. The Audit Committee is incorporated within the Governing body. Staff governors do not have voting rights in this part of the meeting. They are not allowed to participate unless invited to and may be asked to leave the meeting.

Additionally, ad hoc groups of governors are established to consider specific issues and make recommendations to the full Governing Body.

Details of the governing body structure, governor responsibilities and delegated powers are set out in the Governor Handbook.

The Headteacher is the Accounting Officer and works closely with both the other governors and the senior staff of RCPS.

The day-to-day management of RCPS rests with the Headteacher who has overall responsibility for the school. The Headteacher is responsible for establishing the Senior Leadership Team, including the School Business Manager and the Deputy Head.

Rachael Langdale, Essex Finance Support, was the Responsible Officer and as such provided an oversight role in relation to the systems and processes of control and risk management that operate throughout RCPS.

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

Key management personnel include those staff to whom the Governors have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel are decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration are approved by the pay committee and ratified by the full Governing Body.

## **Runwell Community Primary School Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### ***Risk management***

The governors have assessed the major risks to which the Academy Trust is exposed. A formal review of the risk management process is undertaken on an annual basis to identify financial, operational, regulatory and reputational risks. In addition, such risks are considered at each meeting of the full governing body. The governors are satisfied that appropriate systems are in place to mitigate any exposure to major risks, and that these are kept under regular review by the senior management team and the governors. However, it is recognised that such systems can only provide reasonable but not absolute assurance that major risks have been managed adequately.

The key controls used by the Academy Trust to identify and manage risk include:

- formal agendas for all committee and board activity;
- terms of reference for all committees;
- comprehensive planning budgeting and management reporting;
- an established organisation structure and clear lines of reporting;
- formal written policies;
- monitoring;
- clear authorisation and approval levels;
- vetting procedures as required by law for the protection of the vulnerable; and
- use of professional services where applicable.

The measures used by the governors to manage financial risk are included in the separate Statement of Internal control.

The governors regularly assess the current key risks RCPS faces. These risks, and the measures in place to manage them, are set out in the Risk Register.

#### ***Connected organisations, including related party relationships***

The Academy Trust has no relationships to report other than what is included under the section below titled Relationships and Related Parties.

#### **Objectives and Activities**

The charitable objectives, for which the charitable company was established, are set down in its Articles of Association as follows:

(a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and

(b) to promote, for the benefit of individuals living in Runwell and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large, the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

The principal activity of RCPS is currently to run a primary school in Runwell for boys and girls. In addition, RCPS holds the accreditation for the Essex and Thames Primary SCITT, a large teacher training organisation which is located at RCPS. The Thames Primary Consortium comprises of around 135 schools in Essex and the role of the SCITT is to train new teachers to work in the Basildon/ Wickford/ Southend/ Brentwood/Newham area. RCPS also works within the community, sharing resources with other schools and the wider community (see "Relationships with Related Parties" below).



## **Runwell Community Primary School Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Public Benefit**

The governors have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this governors' annual report.

#### ***Benefits & Beneficiaries:***

In accordance with its charitable objectives, RCPS strives to advance the education of the pupils attending the school. The charitable company's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the school. In addition the school aims to benefit the wider community by making available resources, including the school facilities.

#### ***Governors' Assessment of Public Benefit:***

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the governors gather evidence of the success of RCPS's activities. This information is gained in a variety of ways, including through monitoring and regular reports at governing body meetings. Examples of such evidence are set out in the "Impact of Activities & Events and Assessment of Public Benefit" section below.

#### ***Impact of Activities & Events and Assessment of Public Benefit***

As set out above, the principal activity of RCPS is to provide primary school education for children in Runwell and the surrounding area. The aim of RCPS, which is at the heart of all of its activities, is to be a school;

- where all pupils and staff are encouraged and enabled to reach their full potential in a safe, healthy, caring and stimulating environments;
- that promotes excellence and equality and has high expectations for all pupils and staff;
- where the teaching is of a consistently very high standard;
- that provides a rich, thematic curriculum, which is well planned, and resources;
- that challenges pupils to develop knowledge, skills and aspiring attitudes so they can become confident, independent lifelong learners;
- which maintains very high standards of behaviour in a positive atmosphere;
- which develops mutual respect and tolerance;
- that promotes individual responsibility and accountability and which helps children to develop into thoughtful citizens; and
- that encourages parents to be actively involved in their child's education and the wider school community.

We have recently revised and refreshed our curriculum statement which is outlined below. We have an 'A, B, C' of learning which stands for ASPIRE, BELIEVE, CONNECT - this reflects the attitudes we wish for our pupils to develop for lifelong learning and future success.

Our curriculum intent is for every learner to understand and appreciate what it means to be a 21st century citizen, we wish for our children to develop as globally aware, caring, healthy, creative and enterprising individuals, full of self-belief and confidence. We desire our children to be resilient, respectful and tolerant; all values we believe that our learners will need in order to be successful in meeting the demands of modern society and an ever changing world.

## **Runwell Community Primary School Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

We will implement this by providing a skills based, knowledge rich curriculum that centres on the development of 'Mind, Heart and Body'. Our curriculum will provide our children with the opportunity to explore and steer their learning based on the issues that matter to them. Teaching staff will act in the role of 'facilitators of learning', developing a connectedness with our children through meaningful consultation with them. We will seek to develop high quality oracy, literacy, numeracy, technical and creative skills throughout the primary phase by outlining a stepped approach to skills development in each of these areas. We will all go on this journey together with overarching half termly whole school foci for learning.

The impact of this will be that all of our children will experience a curriculum that is fit for purpose and become independent, empowered individuals who see the value of lifelong learning. Our children will develop an insatiable curiosity and the ability to learn from each other. Our learners will leave Runwell knowing the responsibility of their role as global citizens as we shall create collaborators, innovators, leaders and above all else; young people who understand what it means to be human.

## Runwell Community Primary School Academy Trust

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Strategic Report

##### Achievements and performance

##### **KS2 - 2019 TEST RESULTS AND TEACHER ASSESSMENT**

	<b>SATs Result</b>	<b>SAT Higher</b>	<b>TA</b>	<b>TA Higher</b>
<b>Reading</b>	57%	20%	77%	N/A
<b>Writing</b>	N/A	N/A	50%	17%
<b>Grammar, Punctuation and Spelling</b>	60%	27%	N/A	N/A
<b>Mathematics</b>	60%	10%	N/A	N/A
<b>Combined RWM</b>	33%	7%	N/A	N/A

##### **Progress Measures**

###### *Reading*

Average +0.24

Confidence interval -2.0 to 2.5

###### *Writing*

Average -1.60

Confidence interval -3.6 to 0.4

###### *Maths*

Average -1.58

Confidence interval -3.6 to 0.4

##### **KS1 - 2019 TEACHER ASSESSMENT**

	<b>Met Expected Standard</b>	<b>Greater Depth</b>
<b>Reading</b>	77%	20%
<b>Writing</b>	64%	11%
<b>Maths</b>	75%	14%

##### **EYFS - TEACHER ASSESSMENT**

65% of children reached the 'Good Level of Development' in 2019.  
(This data was externally moderated during a visit)

## **Runwell Community Primary School Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

##### **PHONICS DATA 2019**

Year 1 - 67%

Year 2 - 55% (These are resits from children who did not pass in Year 1)

These results are reflective of a very difficult year for the school, particularly in KS2 where there were a number of changes in personnel for our Yr 6 pupils. Despite this, pupils made pleasing progress from their starting points as there was a high level of SEND and SEMH needs in this cohort.

Phonics data was also lower than anticipated and this is reflective of long term absence for the Yr 1 teacher in one of the classes, which led to cover being needed in this class.

2020 KS2 data is on track to be much stronger with 80%+ of the cohort already securely on track to meet the expected level.

##### **Ofsted**

The school was inspected in March 2018 on a 1 day 'short' inspection and received a letter confirming that we continue to be a good and improving school. We are not expecting re-inspection unless there is a significant trigger.

## **Runwell Community Primary School Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

##### **Relationships with Related Parties**

RCPS works with the local and wider community in a number of ways, including:

- **Wickford Extended services**

Wickford is one of the leading areas in the county for the provision of after school, weekend and holiday services to the school children of Wickford. The Extended Schools Co-ordinator, Rachel Voller, organises a wide range of activities for children and facilitates access to an even wider range of services for parents to support them in bringing up their children. The service is based in the Wickford Collaborative Learning Centre, which is also used for the collaborative curriculum run throughout the year by the schools in Wickford. RCPS provides funding from its delegated budget to support this service and offers reduced rates when Extended Services want to use the school facilities to run courses for children.

- **Chelmsford Education Network**

RCPS is part of this network. It is a group of approx. 26 schools, most of which are based in Chelmsford, that work together to further the education provided in the member schools. RCPS receives training and support for school development, plus the network provides specialist academy financial to RCPS's Business Manager.

- **Kids Company**

Kids Company is based at RCPS and use its facilities. Kids Company provides before/after school and holiday childcare that is used by children at RCPS and by those from other schools.

- **Lettings**

A variety of external clubs that serve the local community also use the school facilities. These include: Taoist Tai Chi, Seitou Ryu Karate, Sport 4 Fun.

- **Other**

The school is involved in many community events throughout the year. For example, every year the school provides harvest boxes for the local community and beyond. At harvest time the children bring in food donations, which are packed into boxes and delivered by the children to vulnerable people in the local community. The school choir performs at different events within the local community and the school has a close relationship with the local Parish vicar (who regularly holds assemblies in the school). A Summer fete and Christmas bazaar are held annually that the whole community is invited to attend. There have also been coffee mornings for charity. The school has introduced curriculum events that focus on community engagement, for example our 'Fair Trade' cafes, which are well received and attended. We have also encouraged parents and carers to become more involved in their children's learning by inviting them in to take part in special curriculum focus weeks and also hold mini workshops.

##### **Trade union facility time**

No employees of RCPS were trade union officials during the period 1 September 2018 to 31 August 2019.

##### **Going concern**

After making appropriate enquiries, the Governing Body 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.

## **Runwell Community Primary School Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

##### **Financial review**

##### **Financial Outcome of Activities & Events:**

The school's accounting period was from 1 September 2018 to 31 August 2019. The operations of the school as an academy began on 1 August 2011. Most of the school's income comes directly from the Education and Skills Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ending 31 August 2019 and associated expenditure are shown as restricted funds in the financial statements.

The academy received Pupil Premium grants totalling £51,722 and a Sports Grant of £18,310 both of which were spent in accordance with DfE guidelines.

Details of these grants and associated expenditure are also shown as restricted funds in the financial statements.

The school receives unrestricted funds in the form of lettings, catering income and other donations made to the school.

##### **Reserves policy**

The governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The governors intend to review the reserves policy annually to ensure that this aim can be achieved.

At the balance sheet date, the academy had total reserves of £1,554,910 (2018: £1,911,760), of which £144,244 (2018: £103,313) were free unrestricted reserves.

We have tried to maintain the school's reserves by not drawing down on them due to the current ongoing uncertainties around school funding. Within the budget there have been some overspends in certain areas but this has not impacted on the carry forward total.

##### **Investment policy**

The governors' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of the charitable company that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

During the first accounting period the charitable company's current policy was to hold all cash balances on a current account to ensure that the academy is able to meet its day to day cash flow requirements. This policy will continue to be regularly reviewed by the governing body.

## **Runwell Community Primary School Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

##### **Fundraising**

RCPS open the school at evenings and weekends for community groups and clubs in order to raise additional funds for the school. The main income generators for the period were Thames Primary Consortium, Taoist Tai Chi, Kids Company and Karate. The governors review and increase letting rates on an annual basis and regularly advertise the school premises for hire. The RCPS Business Manager monitors the income via the debtor control account which is also reviewed by the Headteacher each month.

We have an active parent association, FORS (Friends of Runwell School) who co-ordinate and run a number of fundraising activities for us over the school year. These events are well attended and raise a good amount of money for the school over the year. FORS make donations each year to subsidise the cost of the school residential visits, as well as help to fund projects in the school. This year, they have made contributions towards book purchases for the children, playground equipment and ICT resources for the classrooms.

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

##### **Plans for future periods**

The School's Strategic Development Plan (SDP) sets out the school's plans for the next three years. The SDP is created with a view to developing the overall effectiveness of the school, with particular regard to Leadership and Management, Teaching Learning and Assessment, Personal Development, Behaviour and Welfare and Premises and Learning Environment. We also have key drivers around Spiritual, Moral, Social and Cultural awareness (SMSC) and Basic Skills Development.

The key areas for development, as set out in the current SDP, are listed under key areas that are evaluated by Ofsted, as well as those that highlight a strong strategic direction for the school to take.

## **Runwell Community Primary School Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

##### **Leadership and Management**

- To review the staffing structure throughout the school to ensure that it is fit for purpose for our expanding roll.
- To develop a culture of 'action based' research in trialling new initiatives around curriculum development and teaching and learning pedagogy.
- To further develop the school's subject leadership team in leading delivery of high quality CPD for staff.
- To lead the school towards achieving pupil outcomes that place us consistently in the top quartile of schools nationally.
- To provide a wider range of parent workshops to strengthen home support and partnership with school, in areas such as: reading, writing and maths, learning behaviours including resilience and parental praise / feedback.

##### **Curriculum**

- To provide rich, diverse, creative experiences across the curriculum, which includes pupil voice.
- To promote outdoor learning experiences across the curriculum.
- To continue to promote British values and links to SMSC, including social, moral, spiritual and cultural development.
- To develop key learning behaviours including: independence, resilience and tenacity.
- To strengthen staffs' skills in PE and develop pupils team skills, empathy and competitiveness through sport.

##### **Teaching, Learning and Assessment**

- To continue to develop standards of 'quality first teaching' so that it is never less than good and a significant proportion is 'outstanding'.
- To develop a live marking policy to ensure that pupil feedback is well timed and immediately actioned.
- To engage in wider collaborative working opportunities in order to develop teacher pedagogy.
- To continue to communicate and collaborate effectively with parents, involving them in the learning process.
- To develop strategies to further enhance the impact of learning support in the classroom beyond interventions.
- To use pre and post assessment effectively across the curriculum, so learning is accelerated and gaps are closed.

##### **Personal Development, Behaviour and Welfare**

- To develop the inclusion agenda further so that children with additional needs are well managed and supported in the classroom.
- To more actively promote mental and physical wellbeing of children and staff.
- To develop a more consultative approach to managing behaviour across the school leading to a more defined policy that focusses on children being 'ready to learn'.

##### **Premises and Learning Environment**

- Refurbish and extend school office area so that it is more conducive to safeguarding staff and pupils and creates a more welcoming entry to the school.
- To actively seek external funding opportunities to help develop and improve the school environment both internal and external.
- To continue to manage expansion of school and ensure best value for money is achieved from all resources.
- To refurbish school toilet provision.
- To introduce more external safeguarding measures for the perimeter of the school premises including electronic gates and CCTV.



## **Runwell Community Primary School Academy Trust**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Funds held as Custodian Trustee on behalf of others**

Although the charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors and other funders, RCPS does not hold, and the governors do not anticipate that it will in the future hold, any funds as custodian for any third party.

#### **Professional Indemnity Insurance**

In accordance with normal commercial practice, RCPS has purchased insurance to protect Governors and Officers from claims arising for negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £5,000,000.

The cost of this insurance is included in the total insurance cost for the period 1 September 2018 to 31 August 2019.

#### **Auditor**

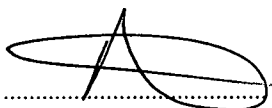
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- 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.

#### **Reappointment of auditor**

Under section 487(2) of the Companies Act 2006 Edmund Carr LLP will be deemed to have been reappointed as auditor 28 days after these financial statements are sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Trustees' Report, incorporating a Strategic Report, approved by order of the members of the Governing Body on 10 December 2019 and signed on its behalf by:



Nicola Kelly  
Governor

## Runwell Community Primary School Academy Trust

### Governance Statement

#### Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Runwell Community Primary School Academy Trust 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 Governing Body has delegated the day-to-day responsibility to the headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Runwell Community Primary School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body, which includes the Audit Committee\*, met formally 6 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Jeremy Crook	0	1
Joanne Madders	6	6
Lynn Barwell	1	1
Christine Creek	1	2
Sharon Brooks	5	6
Gill Hearsey	4	4
Lisa Thompson	1	3
Melissa Cookson	4	6
Sue Wise	5	6
Sasha Furze	6	6
Nicola Kelly	5	6
Daniel Jones	1	5
Joanne Grace	3	6
Carleeann Barrett	3	4
Michael Graham	1	1
Catherine Hume	1	1
Clifford Slater	4	4
Ryan Smith	1	1
David Rahi	1	2

\*Audit committee - staff governors have no voting rights in this part of the meeting. They are not allowed to participate unless invited to and may be asked to leave the meeting.

## **Runwell Community Primary School Academy Trust**

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

#### **Review of value for money**

As accounting officer, the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes 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:

#### **Staffing**

The school appointed a new full-time deputy headteacher who has been able to take over the strategic leadership of pupil interventions and works alongside the headteacher and inclusion manager to ensure value for money is achieved in terms of pupil outcomes against expenditure.

The school has worked alongside a site manager consultant to review its processes around premises management and ensure that all statutory elements are covered and monitored more effectively. They have worked alongside the School Business Manager in order to review service contracts to ensure that best value is achieved.

#### **Staff Absence Insurance Premiums**

During the year the school switched staff absence insurance provider. This has benefited the school from the additional provision of staff wellbeing services that can be accessed which promotes good health and wellbeing and therefore aims to reduce absence rates. They also provide a pupil wellbeing package as part of their contract which has saved the school the subscription fee to this service which ran to over £4,500.

#### **CPD**

The school have included as part of its strategic development plan a new approach to CPD being rolled out across the school. Rather than sending individual or multiple staff on different courses throughout the year, members of staff have been identified to engage with 'train the trainer' style CPD which then enables them to run the sessions for whole staff development. This has ensured that all staff are accessing a robust programme of CPD and skill sets are being developed whilst reducing costs. The flexibility of this also allows for a bespoke approach to be adopted which suits the needs of the school more.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Runwell Community Primary School Academy Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

## **Runwell Community Primary School Academy Trust**

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

#### **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 Governing Body;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed Rachael Langdale, EES for Schools as responsible officer (RO)

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The schedule of work was delivered as planned.

#### **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:

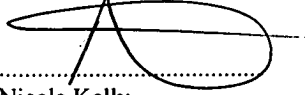
- the work of the responsible officer ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework delegation of authority and segregation of duties.

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

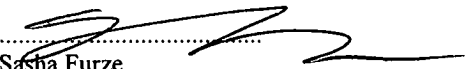
**Runwell Community Primary School Academy Trust**

**Governance Statement (continued)**

Approved by order of the members of the Governing Body on 10 December 2019 and signed on its behalf by:



.....  
Nicola Kelly  
Governor



.....  
Sasha Furze  
Accounting Officer  
Headteacher

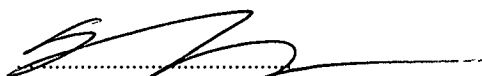
## **Runwell Community Primary School Academy Trust**

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Runwell Community Primary School Academy Trust I have considered my responsibility to notify the academy trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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 Governing Body and ESFA.



Sasha Furze  
Accounting officer

## Runwell Community Primary School Academy Trust

### Statement of Trustees' Responsibilities

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

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

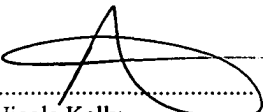
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 on 10 December 2019 and signed on its behalf by:



Nicola Kelly  
Governor

## **Runwell Community Primary School Academy Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Runwell Community Primary School Academy Trust**

#### **Opinion**

We have audited the financial statements of Runwell Community Primary School Academy Trust (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

#### **Basis for opinion**

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

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

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

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

#### **Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)**

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



## **Runwell Community Primary School Academy Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of Runwell Community Primary School Academy Trust (continued)**

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 (incorporating the Strategic Report and Trustees' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 21], the Trustees 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 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

## Runwell Community Primary School Academy Trust

### Independent Auditor's Report on the Financial Statements to the Members of Runwell Community Primary School Academy Trust (continued)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our report

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



Stewart Martin (Senior Statutory Auditor)  
For and on behalf of Edmund Carr LLP, Statutory Auditor

146 New London Road  
Chelmsford  
Essex  
CM2 0AW

Date: 10/12/2019

## **Runwell Community Primary School Academy Trust**

### **Independent Reporting Accountant's Report on Regularity to Runwell Community Primary School Academy Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 16 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Runwell Community Primary School Academy Trust during the period 1 September 2018 to 31 August 2019 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 Runwell Community Primary School Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Runwell Community Primary School Academy Trust 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 Runwell Community Primary School Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook extant from 1 September 2018, 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 2018 to 2019. 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 from 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

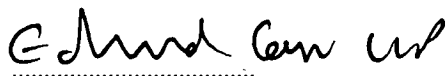
- reviewing the minutes of the meetings of the board of trustees and other evidence made available to us, relevant to our consideration of regularity
- testing a sample of payments and receipts to documentation
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the accounting officer.

**Runwell Community Primary School Academy Trust**

**Independent Reporting Accountant's Report on Regularity to Runwell Community  
Primary School Academy Trust and the Education & Skills Funding Agency  
(continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....  
Stewart Martin

For and on behalf of Edmund Carr LLP, Chartered Accountants

146 New London Road  
Chelmsford  
Essex  
CM2 0AW

10 December 2019

# Runwell Community Primary School Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	681	12,635	50,481	63,797
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,390,500	-	1,390,500
Other trading activities	4	71,361	29,337	-	100,698
Investments	5	116	-	-	116
<b>Total</b>		<b>72,158</b>	<b>1,432,472</b>	<b>50,481</b>	<b>1,555,111</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	25,956	1,562,743	127,262	1,715,961
Net income/(expenditure)		46,202	(130,271)	(76,781)	(160,850)
Transfers between funds		(5,271)	5,271	-	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	(196,000)	-	(196,000)
Net movement in funds/(deficit)		40,931	(321,000)	(76,781)	(356,850)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2018		103,313	(783,000)	2,591,447	1,911,760
Total funds/(deficit) carried forward at 31 August 2019		144,244	(1,104,000)	2,514,666	1,554,910

# Runwell Community Primary School Academy Trust

## Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	50,598	46,523	97,121
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	1,274,619	-	1,274,619
Other trading activities	4	66,008	24,185	-	90,193
Investments	5	114	-	-	114
Total		66,122	1,349,402	46,523	1,462,047
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	28,362	1,533,840	102,171	1,664,373
Net income/(expenditure)		37,760	(184,438)	(55,648)	(202,326)
Transfers between funds		(62,082)	60,438	1,644	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	204,000	-	204,000
Net movement in (deficit)/funds		(24,322)	80,000	(54,004)	1,674
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2017		127,635	(863,000)	2,645,451	1,910,086
Total funds/(deficit) carried forward at 31 August 2018		103,313	(783,000)	2,591,447	1,911,760

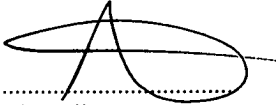
# Runwell Community Primary School Academy Trust

(Registration number: 07673903)

Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	11	2,486,381	2,591,447
<b>Current assets</b>			
Stocks	12	5,642	4,680
Debtors	13	45,789	46,069
Cash at bank and in hand		<u>235,278</u>	<u>162,582</u>
		286,709	213,331
Creditors: Amounts falling due within one year	14	<u>(114,180)</u>	<u>(110,018)</u>
Net current assets		<u>172,529</u>	<u>103,313</u>
Total assets less current liabilities		<u>2,658,910</u>	<u>2,694,760</u>
Net assets excluding pension liability		2,658,910	2,694,760
Pension scheme liability	22	<u>(1,104,000)</u>	<u>(783,000)</u>
Net assets including pension liability		<u><u>1,554,910</u></u>	<u><u>1,911,760</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted fixed asset fund		2,514,666	2,591,447
Restricted pension fund		<u>(1,104,000)</u>	<u>(783,000)</u>
		1,410,666	1,808,447
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>144,244</u>	<u>103,313</u>
Total funds		<u><u>1,554,910</u></u>	<u><u>1,911,760</u></u>

The financial statements on pages 27 to 50 were approved by the Trustees, and authorised for issue on 10 December 2019 and signed on their behalf by:

  
 .....  
 Nicola Kelly  
 Governor

## **Runwell Community Primary School Academy Trust**

### **Statement of Cash Flows for the Year Ended 31 August 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	17	22,099	46,219
Cash flows from investing activities	18	<u>50,597</u>	<u>(41,174)</u>
Change in cash and cash equivalents in the year		72,696	5,045
Cash and cash equivalents at 1 September		<u>162,582</u>	<u>157,537</u>
Cash and cash equivalents at 31 August	19	<u><u>235,278</u></u>	<u><u>162,582</u></u>



# **Runwell Community Primary School Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2019**

### **1 Accounting policies**

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

#### **Basis of preparation**

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### **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 company 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.

#### **Income**

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

#### **Grants**

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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

#### **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

## **Runwell Community Primary School Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **1 Accounting policies (continued)**

##### ***Other income***

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### ***Interest Receivable***

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

##### ***Fund Accounting***

Unrestricted income funds represent those resources which may be used towards meeting and of the charitable objects of the Academy Trust at the discretion of the Governors.

Restricted general funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education and Skills Funding Agency and the Department for Education.

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

##### ***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.

All resources expended are inclusive of irrecoverable VAT.

##### ***Expenditure on raising funds***

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

##### ***Charitable activities***

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

## **Runwell Community Primary School Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **1 Accounting policies (continued)**

##### **Tangible fixed assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Long leasehold land	Over the life of the lease
Long leasehold buildings	Over 15 - 45 years
Fixtures, fittings and equipment	25% - 33% straight line

##### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### **Provisions**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

##### **Leased assets**

Rentals under operating leases are charged on a straight-line basis over the lease term.

## **Runwell Community Primary School Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **1 Accounting policies (continued)**

##### **Stock**

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value.

##### **Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### **Pension benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

##### **Critical accounting estimates and areas of judgement**

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

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 1 Accounting policies (continued)

#### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost 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 31/08/2019. 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.

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Capital grants	-	-	50,481	50,481	6,880
Other donations	681	12,635	-	13,316	90,241
	<u>681</u>	<u>12,635</u>	<u>50,481</u>	<u>63,797</u>	<u>97,121</u>

### 3 Funding for the Academy Trust's educational operations

	Restricted funds £	2018/19 Total £	2017/18 Total £
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	1,075,336	1,075,336	1,011,057
Other DfE Grants	193,493	193,493	215,057
	<u>1,268,829</u>	<u>1,268,829</u>	<u>1,226,114</u>
<b>Other government grants</b>			
SEN Funding	60,282	60,282	44,653
Other local authority funds	61,389	61,389	3,852
	<u>121,671</u>	<u>121,671</u>	<u>48,505</u>
Total grants	<u>1,390,500</u>	<u>1,390,500</u>	<u>1,274,619</u>

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	30,223	-	30,223	30,379
Catering income	-	29,337	29,337	24,185
Trips and visits	12,003	-	12,003	18,525
Other sales	29,135	-	29,135	17,104
	<u>71,361</u>	<u>29,337</u>	<u>100,698</u>	<u>90,193</u>

### 5 Investment income

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	<u>116</u>	<u>116</u>	<u>114</u>

### 6 Resources expended

	Non Pay Expenditure			2018/19 Total £	2017/18 Total £
	Staff costs £	Premises £	Other costs £		
<b>Academy's educational operations</b>					
Direct costs	970,777	-	43,294	1,014,071	944,301
Allocated support costs	<u>358,121</u>	<u>217,864</u>	<u>125,905</u>	<u>701,890</u>	<u>720,072</u>
	<u>1,328,898</u>	<u>217,864</u>	<u>169,199</u>	<u>1,715,961</u>	<u>1,664,373</u>

#### Net income/(expenditure) for the year includes:

	2018/19 £	2017/18 £
Operating leases - plant and machinery	850	1,134
Audit - Edmund Carr LLP	6,900	6,800
Other services - Edmund Carr LLP	600	560
Depreciation	<u>105,066</u>	<u>102,171</u>

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 7 Charitable activities

		<b>2018/19</b>	<b>2017/18</b>
		<b>£</b>	<b>£</b>
Direct costs - educational operations		1,014,071	944,301
Support costs - educational operations		<u>701,890</u>	<u>720,072</u>
		<u><b>1,715,961</b></u>	<u><b>1,664,373</b></u>
	<b>Educational</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>operations</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Analysis of support costs</b>			
Support staff costs	358,121	358,121	356,299
Depreciation	105,066	105,066	102,171
Premises costs	112,798	112,798	139,490
Other support costs	<u>125,905</u>	<u>125,905</u>	<u>122,112</u>
Total support costs	<u><b>701,890</b></u>	<u><b>701,890</b></u>	<u><b>720,072</b></u>

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 8 Staff

#### Staff costs

	2019 £	2018 £
<b>Staff costs during the year were:</b>		
Wages and salaries	913,560	867,405
Social security costs	85,736	82,328
Pension costs	310,547	289,571
	<u>1,309,843</u>	<u>1,239,304</u>
Agency staff costs	19,055	4,689
	<u>1,328,898</u>	<u>1,243,993</u>

#### Staff numbers

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

	2018/19 No	2017/18 No
<b>Charitable Activities</b>		
Teachers	12	11
Administration and support	49	48
Management	5	7
	<u>66</u>	<u>66</u>

#### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2019 No	2018 No
£60,001 - £70,000	<u>1</u>	<u>1</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £285,688 (2018: £322,261).



## **Runwell Community Primary School Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **9 Related party transactions - trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from 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 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:

Sasha Furze (Head teacher):

Remuneration: £65,000 - £70,000 (2018 - £60,000 - £65,000)

Employer's pension contributions: £Nil (2018 - £Nil)

Christine Creek (Deputy Headteacher):

Remuneration: £15,000 - £20,000 (2018 - £45,000 - £50,000)

Employer's pension contributions: £0 - £5,000 (2018 - £5,000 - £10,000)

Joanne Madders (Finance Manager):

Remuneration: £25,000 - £30,000 (2018 - £25,000 - £30,000)

Employer's pension contributions: £5,000 - £10,000 (2018 - £5,000 - £10,000)

Lynn Barwell (Staff):

Remuneration: £0 - £5,000 (2018 - £10,000 - £15,000)

Employer's pension contributions: £0 - £5,000 (2018 - £0 - £5,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £Nil (2018 - £Nil) were reimbursed or paid directly to 0 trustees (2018 - 0).

Other related party transactions involving the trustees are set out in note 23.

#### **10 Trustees' and officers' insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £74 (2018 - £164).

The cost of this insurance is included in the total insurance cost.

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
At 1 September 2018	<u>2,937,813</u>	<u>53,251</u>	<u>2,991,064</u>
At 31 August 2019	<u>2,937,813</u>	<u>53,251</u>	<u>2,991,064</u>
<b>Depreciation</b>			
At 1 September 2018	365,658	33,959	399,617
Charge for the year	<u>92,159</u>	<u>12,907</u>	<u>105,066</u>
At 31 August 2019	<u>457,817</u>	<u>46,866</u>	<u>504,683</u>
<b>Net book value</b>			
At 31 August 2019	<u>2,479,996</u>	<u>6,385</u>	<u>2,486,381</u>
At 31 August 2018	<u>2,572,155</u>	<u>19,292</u>	<u>2,591,447</u>

### 12 Stock

	2019 £	2018 £
Classroom stock	<u>5,642</u>	<u>4,680</u>

### 13 Debtors

	2019 £	2018 £
Trade debtors	19,130	20,445
Prepayments and accrued income	12,761	12,453
VAT recoverable	3,561	3,033
Other debtors	<u>10,337</u>	<u>10,138</u>
	<u>45,789</u>	<u>46,069</u>

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 14 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	4,747	5,437
Other taxation and social security	23,223	24,123
Pension scheme creditor	23,387	20,611
Accruals and deferred income	13,790	17,572
Deferred income	49,033	42,275
	<u>114,180</u>	<u>110,018</u>
	2019 £	2018 £
<b>Deferred income</b>		
Deferred income at 1 September 2018	42,275	58,896
Resources deferred in the period	49,033	42,275
Amounts released from previous periods	<u>(42,275)</u>	<u>(58,896)</u>
Deferred income at 31 August 2019	<u>49,033</u>	<u>42,275</u>

Included within deferred income is £32,502 (2018: £30,845) regarding free school meal funding for September onwards. The balance also includes £12,521 (2018: £6,647) relating to FEEE income for Autumn 2019 and the remaining balance of £4,010 relates to various miscellaneous items relating to September 2019 onwards.

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 15 Funds

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,075,336	(1,080,607)	5,271	-
Other DfE grants	-	193,493	(193,493)	-	-
SEN Funding	-	60,282	(60,282)	-	-
Other donations	-	12,635	(12,635)	-	-
Other local authority funds	-	90,726	(90,726)	-	-
	<u>-</u>	<u>1,432,472</u>	<u>(1,437,743)</u>	<u>5,271</u>	<u>-</u>
<b>Restricted fixed asset funds</b>					
Transfer from local authority on conversion	1,472,915	-	(105,066)	-	1,367,849
DfE/ESFA capital grants	<u>1,118,532</u>	<u>50,481</u>	<u>(22,196)</u>	<u>-</u>	<u>1,146,817</u>
	2,591,447	50,481	(127,262)	-	2,514,666
<b>Restricted pension funds</b>					
Pension reserve	<u>(783,000)</u>	<u>-</u>	<u>(125,000)</u>	<u>(196,000)</u>	<u>(1,104,000)</u>
Total restricted funds	1,808,447	1,482,953	(1,690,005)	(190,729)	1,410,666
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>103,313</u>	<u>72,158</u>	<u>(25,956)</u>	<u>(5,271)</u>	<u>144,244</u>
Total funds	<u><u>1,911,760</u></u>	<u><u>1,555,111</u></u>	<u><u>(1,715,961)</u></u>	<u><u>(196,000)</u></u>	<u><u>1,554,910</u></u>

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 15 Funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	1,011,057	(1,071,495)	60,438	-
Other DfE grants	-	215,057	(215,057)	-	-
SEN Funding	-	44,653	(44,653)	-	-
Other donations	-	3,680	(3,680)	-	-
Other local authority funds	-	74,955	(74,955)	-	-
	<u>-</u>	<u>1,349,402</u>	<u>(1,409,840)</u>	<u>60,438</u>	<u>-</u>
<b>Restricted fixed asset funds</b>					
Transfer from local authority on conversion	1,472,915	-	-	-	1,472,915
DfE/ESFA capital grants	1,169,396	46,523	(99,031)	1,644	1,118,532
Private sector capital donations	<u>3,140</u>	<u>-</u>	<u>(3,140)</u>	<u>-</u>	<u>-</u>
	2,645,451	46,523	(102,171)	1,644	2,591,447
<b>Restricted pension funds</b>					
Pension reserve	<u>(863,000)</u>	<u>-</u>	<u>(124,000)</u>	<u>204,000</u>	<u>(783,000)</u>
Total restricted funds	1,782,451	1,395,925	(1,636,011)	266,082	1,808,447
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>127,635</u>	<u>66,122</u>	<u>(28,362)</u>	<u>(62,082)</u>	<u>103,313</u>
Total funds	<u>1,910,086</u>	<u>1,462,047</u>	<u>(1,664,373)</u>	<u>204,000</u>	<u>1,911,760</u>

## Runwell Community Primary School Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 15 Funds (continued)

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

The General Annual Grant (GAG) and other DfE/ESFA grants represent the core funding for the educational activities of the school that has been provided to an academy via the ESFA by the DfE. The GAG fund has been set up because the GAG must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

The LGPS Deficit fund separately identifies the pension deficit inherited from the local authority upon conversion to academy status. This fund is where all the pension scheme movements are recognised.

The SEN funding represents grants received from Essex County Council in order to provide additional teaching resources to children with special educational needs. The cost of these teaching resources have been set against the income.

The DfE/ESFA capital grant income is an annual devolved capital grant received to assist the school with funding capital projects. All income has been shown in the SOFA this year and not deferred.

The transfer of £5,271 from unrestricted funds to restricted general funds is to eliminate the deficit.

#### 16 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	2,486,381	2,486,381
Current assets	144,244	114,180	28,285	286,709
Current liabilities	-	(114,180)	-	(114,180)
Pension scheme liability	-	(1,104,000)	-	(1,104,000)
Total net assets	<u>144,244</u>	<u>(1,104,000)</u>	<u>2,514,666</u>	<u>1,554,910</u>

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 16 Analysis of net assets between funds (continued)

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	2,591,447	2,591,447
Current assets	103,313	110,018	-	213,331
Current liabilities	-	(110,018)	-	(110,018)
Pension scheme liability	-	(783,000)	-	(783,000)
Total net assets	<u>103,313</u>	<u>(783,000)</u>	<u>2,591,447</u>	<u>1,911,760</u>

### 17 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2018/19 £	2017/18 £
Net expenditure	(160,850)	(202,326)
Depreciation	105,066	102,172
Capital grants from DfE and other capital income	(50,481)	(6,880)
Interest receivable	(116)	(114)
Defined benefit pension scheme obligation inherited	125,000	124,000
(Increase)/decrease in stocks	(962)	76
Decrease in debtors	280	34,689
Increase/(decrease) in creditors	<u>4,162</u>	<u>(5,398)</u>
Net cash provided by Operating Activities	<u>22,099</u>	<u>46,219</u>

### 18 Cash flows from investing activities

	2018/19 £	2017/18 £
Dividends, interest and rents from investments	116	114
Purchase of tangible fixed assets	-	(48,167)
Capital grants from DfE Group	<u>50,481</u>	<u>6,879</u>
Net cash provided by/(used in) investing activities	<u>50,597</u>	<u>(41,174)</u>

### 19 Analysis of changes in net funds

	2019 £	2018 £
Cash at bank and in hand	<u>235,278</u>	<u>162,582</u>
Total cash and cash equivalents	<u>235,278</u>	<u>162,582</u>

## Runwell Community Primary School Academy Trust

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 20 Financial commitments

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	294	1,032
Amounts due between one and five years	160	166
	<u>454</u>	<u>1,198</u>

#### 21 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceased to be a member.

#### 22 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are multi-employer defined benefit 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 £23,387 (2018 - £20,611) were payable to the schemes at 31 August and are included within creditors.

##### Teachers' Pension Scheme

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

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



## **Runwell Community Primary School Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **22 Pension and similar obligations (continued)**

##### **Valuation of the Teachers' Pension Scheme**

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £139,215 (2018: £125,650).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

##### **Local government pension scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £123,000 (2018 - £109,000), of which employer's contributions totalled £96,000 (2018 - £84,000) and employees' contributions totalled £27,000 (2018 - £25,000). The agreed contribution rates for future years are 23.6% per cent for employers and 5.5% to 12.5% per cent for employees.

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

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 22 Pension and similar obligations (continued)

#### Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.90	2.70
Inflation assumptions (CPI)	2.20	2.30
RPI increases	<u>3.20</u>	<u>3.30</u>

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

	2019	2018
<b>Retiring today</b>		
Males retiring today	21.30	22.30
Females retiring today	23.60	24.80
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.00	24.50
Females retiring in 20 years	<u>25.40</u>	<u>27.10</u>

#### Sensitivity analysis

	2019 £	2018 £
Discount rate +0.1%	1,878.00	1,420.00
Discount rate -0.1%	1,973.00	1,491.00
Mortality assumption – 1 year increase	2,000.00	1,501.00
Mortality assumption – 1 year decrease	1,853.00	1,410.00
CPI rate +0.1%	1,967.00	1,486.00
CPI rate -0.1%	<u>1,884.00</u>	<u>1,425.00</u>

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

	2019 £	2018 £
Equities	518,000	428,000
Gilts	45,000	36,000
Other bonds	46,000	39,000
Property	66,000	60,000
Cash and other liquid assets	24,000	23,000
Other	<u>122,000</u>	<u>86,000</u>
Total market value of assets	<u>821,000</u>	<u>672,000</u>

# Runwell Community Primary School Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

### 22 Pension and similar obligations (continued)

The actual return on scheme assets was £58,000 (2018 - £36,000).

#### Amounts recognised in the statement of financial activities

	2018/19 £	2017/18 £
Current service cost	125,000	124,000
Total amount recognized in the SOFA	125,000	124,000

#### Changes in the present value of defined benefit obligations were as follows:

	2018/19 £	2017/18 £
At start of period	1,455,000	1,394,000
Current service cost	178,000	186,000
Interest cost	38,000	37,000
Employee contributions	27,000	25,000
Actuarial (gain)/loss	235,000	(183,000)
Benefits paid	(32,000)	(4,000)
Past service cost	24,000	-
At 31 August	1,925,000	1,455,000

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

	2018/19 £	2017/18 £
At start of period	672,000	531,000
Interest income	19,000	15,000
Actuarial gain/(loss)	39,000	21,000
Employer contributions	96,000	84,000
Employee contributions	27,000	25,000
Benefits paid	(32,000)	(4,000)
At 31 August	821,000	672,000

## **Runwell Community Primary School Academy Trust**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **23 Related party transactions**

Owing to the nature of the academy trust and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

#### **Income related party transactions**

During the year the academy made the following related party transactions:

##### **Kids Company**

(Owned by Sharon Brooks, a trustee of the trust)

The trust let the school's classroom and hall facilities to Kids Company for breakfast, after school and holiday clubs throughout the year to the value of £6,550 (2018: £7,563).