

Registrar's Copy

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

A Barton, Chair of Trustees
Reverend T Elbourne, The Chelmsford Diocese Educational Trust
E Grimble, The Parochial Church Council of the Ecclesiastical Parish of St Mary's Shenfield
Father C Mann, Incumbent (appointed 5 December 2016)

Trustees

A Barton, Chairman¹
D Bryant¹
D Churchill²
B Debenham¹
L Judd, Staff Trustee
C Lee (resigned 20 March 2017)²
A Mauger¹
G Nott²
T O'Hara (resigned 31 December 2016)²
R Patel²
A Plumstead, Staff Trustee²
S Taggart, Head Teacher and Accounting Officer^{1,2}
R Willson (appointed 1 January 2017)²
Father C Mann (appointed 5 December 2016)²

¹ Member of the Resources committee

² Member of the Pupil committee

Company registered number

08524638

Company name

Mid Essex Anglican Academy Trust

Principal and registered office

Hall Lane, Shenfield, Brentwood, Essex, CM15 9AL

Accounting Officer

S Taggart

Senior management team

S Taggart, Head Teacher
D McAdams, Deputy Head Teacher
M Willson, School Business Manager

Independent auditors

MWS, Kingsridge House, 601 London Road, Westcliff-on-Sea, Essex, SS0 9PE

Bankers

Lloyds Bank, BX1 1LT

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Solicitors

Winckworth Sherwood LLP, Minerva House, 5 Montague Close, London, SE1 9BB

MID ESSEX ANGLICAN ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

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

The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Shenfield, Essex. It has a pupil capacity of 420 and had a roll of 418 in the school census in May 2017.

Structure, governance and management

a. CONSTITUTION

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

The charitable company's Memorandum and Articles dated 10 May 2013 are the primary governing documents of the academy trust.

The Trustees of Mid Essex Anglican Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Mid Essex Anglican Academy Trust.

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

The principal activity of the academy is to advance, for the public benefit, education in Shenfield and the surrounding area by maintaining and operating Shenfield St Mary's Church of England Primary School in Shenfield.

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act, every trustee or other officer of the academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association and funding agreement as follows:

- o The Chelmsford Diocese Educational Trust shall appoint three trustees
- o The Parochial Church Council of the Ecclesiastical Parish of St Mary's Shenfield shall appoint four trustees
- o A minimum of two elected parent trustees
- o Up to two elected staff trustees
- o A community trustee appointed by the members

In addition the members appoint the Headteacher and Incumbent as ex-officio trustees.

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

The term of office for any trustee is 4 years. The Head Teacher's and Incumbent's term of office run parallel with his/her contract of appointment. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

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

During the period under review, the trustees held 4 Board of Trustees meetings. In addition there were regular meetings covering finance, premises, personnel and curriculum. The training and induction provided for new trustees will depend on their experience. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new trustees are given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as trustees and directors of the academy.

f. ORGANISATIONAL STRUCTURE

The academy has established a management structure to enable its efficient running. The structure consists of two levels: the trustees and the executive who are the senior leadership team.

The Board of Trustees has considered its role thoughtfully and decided that the role of the trustees is to approve the strategic direction and objectives of the academy and monitor its progress towards these objectives.

The Board of Trustees has approved a scheme of delegation which sets out a statement on the system of internal control and delegated responsibilities. There are also standing orders for the Board of Trustees and terms of reference for committees.

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

The Head Teacher is directly responsible for the day to day running of the academy and is assisted by a senior leadership team. The team is responsible for the day to day operation of the academy, in particular organising staff, resources and teaching and learning. The Head Teacher assumes the accounting officer role.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Pay Committee sets the Pay Policy for the Academy and advises the Board of Trustees and the Resources Committee on current and future pay levels. It ratifies the appropriate salary ranges and starting salaries for members of the leadership group. It ratifies annual pay progress for teachers as set out in the Pay Policy, taking account of any recommendations made on the Performance Management review statement. The Pay Committee approves applications to be paid on the Upper Pay Range. This committee approves the annual pay progression for all members of staff on the leadership pay range, taking account of the recommendation made by the head teacher's Performance Review Panel, following the annual review. The Pay Committee monitors and reports to the Board of Trustees on the annual pattern of performance pay progression at each level and the correlation between pay progression, quality of teaching and outcomes for pupils.

The Pay Committee comprises three named members of the Board of Trustees, with the exception of the Head teacher and staff trustees. The head teacher may attend all proceedings of the Pay Committee for the purposes of providing information and advice but must withdraw when their own salary is being discussed.

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The trustees do not consider that there are any connected organisations or related party relationships that impact on the operating policies of the academy trust. The academy is the founding member of the Mid Essex Anglican Academy Trust which is a separate Trust where Shenfield St Mary's Church of England Primary School is the only member. The Trust undertakes educational support activities.

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

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the academy is the operation of Shenfield St Mary's Church of England Primary School to provide a broad and balanced education for pupils of all abilities in the parish of Shenfield, with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship and having regard to any advice issued by the Diocesan Board of Education.

The trustees have referred to the guidance issued by the Charity Commission in respect of public benefit when reviewing the aims and objectives of the academy.

In accordance with the articles of association, the academy has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government is part of the wider 'Master Funding Agreement' between the Company and the Secretary of State and 'Supplemental Funding Agreement' for the Academy. The Scheme of Government specifies, amongst other things, that the academy will be at the heart of the community promoting community cohesion and sharing facilities, the basis for admitting students to the academy and that the curriculum should be broad and balanced with an emphasis on the needs of individual pupils.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

School Improvement Plan priorities for the 2016/2017 academic year included:

- Progress continues to be above national averages for reading and maths, writing progress improves to be closer to reading and maths;
- Senior leadership skills are appropriately robust for supporting other schools;
- The broad and balanced curriculum is fully in place which inspires pupils to learn; helping them acquire knowledge, understanding and skills in all aspects of their education through developing a mastery approach;
- Safeguarding is highly effective;
- Ensure that the building sufficiently provides an attractive, appealing and effective learning environment;
- Ensure that teaching is consistently at least good and increasingly outstanding;
- Review mathematics teaching to introduce more aspects of the mastery approach;
- Staff and pupils deal effectively with the very rare instances of bullying behavior;
- Ensure that RE and Worship is of a high standard (as outlined in the outstanding criteria for SIAMS); and
- The progress of disadvantaged pupils, disabled pupils and those with special education needs currently on roll matches or is improving towards that of other pupils with the same starting point.

Detailed actions to achieve the priorities are set out in the School Improvement Plan.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

Activities for achieving objectives

- Ensure staff training always centered on high expectations for pupils and key priorities
- Lesson study approach in place across the teaching and support team
- Leadership team to monitor outcomes of pupils' work, marking and feedback, giving clear targets for improvement linked to key priorities
- Training for teaching staff on mastery education to continue
- Specific resources and support for mastery approach to relevant subjects
- Exciting writing activities promoted and prioritised across the curriculum, investigation of different approaches to take place
- Ensure that EYFS provision allows child initiated learning and that lessons are learnt from visits to good and outstanding EYFS settings.

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

d. PUBLIC BENEFIT

In setting the objectives, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. As an academy we make the best use of our skills, expertise and experience to provide the best educational and social outcomes for our pupils. In addition our pupils have raised money for local, national and international charities.

Strategic report

Achievements and performance

a. KEY PERFORMANCE INDICATORS

The academic year 2016/17 was the fourth full year of the Academy. The number on roll at the academy decreased from 421 in the Autumn 2016 census to 419 in October 2017. The academy was able to increase the physical size of four of its classrooms in the summer of 2015 due to the award of a Condition Improvement Fund grant along with use of the academy's own reserves. This has enabled the academy to increase its class size to 30 pupils per class from 28, thus improving the financial security of the academy in the medium term.

Financial Performance indicators

Staff costs as percentage of pupil led funding	90% (2016: 83%)
Staff costs as percentage of total expenditure	72% (2016: 80%)
Current assets to current liabilities ratio	5.9 (2016: 7.42)

b. GOING CONCERN

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

c. REVIEW OF ACTIVITIES

END OF ACADEMIC YEAR DATA 2016/17

Early Years Foundation Stage

Good level of Development = 83.3%

Shenfield St Mary's 2017	83.3%
Shenfield St Mary's 2016	83.3%
Essex	73.5%
National	70.7%

Year 1 Phonics:

Achieving the expected standard 2017 = 85% (national average 2017 = 81.2%)

Year 2 Phonics:

Sitting for the first time, achieving the expected standard = NA

Retaking, achieving the expected standard = 50% (national average = 63.7%)

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

Key Stage 1:

Reading

2017	At the expected standard	At greater depth
Shenfield St Mary's	92%	43%
Essex	78%	29%
National	75%	25%

Writing

2017	At the expected standard	At greater depth
Shenfield St Mary's	80%	32%
Essex	69%	18%
National	68%	16%

Maths

2017	At the expected standard	At greater depth
Shenfield St Mary's	90%	23%
Essex	76%	23%
National	75%	21%

Science (For science there is no greater depth assessment)

2017	At the expected standard
Shenfield St Mary's	95%
Essex	84%
National	83%

Reading, writing and maths combined

2017	At the expected standard	At greater depth
Shenfield St Mary's	73%	15%
Essex	65%	13%
National	64%	11%

Key Stage 2 (test results, teacher assessment for writing and science):

Reading

2017	At the expected standard	At a high standard/greater depth
Shenfield St Mary's	87%	48%
Essex	73%	25%
National	72%	25%

Writing

2017	At the expected standard	At a high standard/greater depth
Shenfield St Mary's	90%	37%
Essex	78%	21%
National	76%	18%

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

Grammar, Punctuation and Spelling

2017	At the expected standard	At a high standard/greater depth
Shenfield St Mary's	78%	45%
Essex	79%	32%
National	77%	31%

Maths

2017	At the expected standard	At a high standard/greater depth
Shenfield St Mary's	88%	38%
Essex	76%	23%
National	75%	23%

Science (For science there is no greater depth assessment)

2017	At the expected standard
Shenfield St Mary's	95%
Essex	84%
National	83%

Reading, Writing and Maths combined

2017	At the expected standard	At a high standard/greater depth
Shenfield St Mary's	83%	23%
Essex	63%	10%
National	61%	9%

Progress scores

2017	Progress Score	National Comparison
Reading	2.9	Significantly above national
Writing	1.8	Significantly above national
Maths	1.7	Significantly above national

d. INVESTMENT POLICY AND PERFORMANCE

The Investment Policy of the Academy is determined by the Resources Committee of the Board of Trustees. The aim of the policy is to ensure that funds which the academy does not immediately need to cover anticipated expenditure are invested in order to maximise income with minimal risk. Should any potential investment opportunity arise this would be presented to the Resources Committee for consideration and approval and reported to the Board of Trustees. It is envisaged that any surplus funds will be invested in interest bearing deposit accounts. At 31 August 2017, no investments were held.

Financial review

a. RESERVES POLICY

The trustees are aware of the requirement to balance current and future needs. They always aim to set a balanced budget with annual income balancing annual expenditure. The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £311,442 which Trustees consider sufficient to act as a buffer against future unbudgeted costs and contingencies.

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

The Trustees have determined that they should hold a cash contingency equivalent to up to two and half months' payroll expenditure, approximately £270,000.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £641,000. This does not mean that an immediate liability for this amount crystallises; such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

The academy has total funds of £1,543,636 at 31 August 2017 and £1,232,194 of restricted funds not available for general purposes of the academy trust at 31 August 2017. The balance on restricted general funds (excluding pension reserve) of £180,169 plus the balance on unrestricted funds of £311,442 totals a net surplus of £491,611 at 31 August 2017.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The Companies Act 2006 s417(3b) requires disclosure of the principal risks and uncertainties facing a company. The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the exposure principally relates to bank balances, cash and trade creditors, with limited debtors. The academy's system of internal controls ensures risk is minimal in these areas.

A risk register is maintained and updated regularly. Where appropriate, systems or procedures have been established to mitigate the risks the Academy faces. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects.

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

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

It should also be noted that procedures are in place to ensure compliance with health and safety of staff and pupils.

Please refer to the Reserves Policy above for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2017.

c. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Review

During the period, ESFA/LA grants received totalled to £1,914,728 (2016: £1,483,991). Other income included within restricted funds totalled to £24,866 (2016: £20,413). Restricted fund expenditure totalled to £1,949,957 (2016: £1,842,200).

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

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

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the academy. It should be noted that this does not present the academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the school in the form of additional resources and facilities both in the long term and short term in conjunction with the school development plan and school aims.

The Trustees through the Resources Committee and Head Teacher receive financial progress reports throughout the year and compare against budgets submitted to the Education and Skills Funding Agency. The Resources Committee also reviews longer term financial models (up to 5 years) to plan and organise resources most effectively to fulfil the aims of the Academy.

Plans for future periods

a. FUTURE DEVELOPMENTS

School Improvement Plan Priorities 2017/18 include:

- Improve consistency of outstanding teaching and learning to make sure all groups of pupils make rapid and sustained progress.
- Senior leadership and Governing Body skills are appropriately robust for supporting other schools (ready for expansion of the multi-academy trust).
- Senior leaders and middle leaders are developed and confident in sharing good and outstanding practice between schools.
- Develop the school building to meet the needs of the school, providing an increasingly attractive and effective learning environment.
- Child welfare is critical and underpins all our every day, outstanding practice.
- Fully address DfE 'Keeping Children Safe in Education' and 'Prevent' through embedding of British Values throughout the curriculum.
- Meet all children's needs as fully as possible, to enable them to reach their full potential, to ensure we are a fully inclusive school.
- Sustain excellent pupil progress in writing, while improving grammar, punctuation and spelling.
- Increase the ethos of reading for pleasure throughout the school.
- Maintain excellent outstanding results, both attainment and progress, increased KSI girls at greater depth.
- Fully embed reasoning skills, developing pupil's ability to articulate their learning.
- Teaching is consistently of a high standard and inspirational, highly responsive to children's needs.
- Sharing of Early Years Foundation Stage findings across the school, progress for emerging pupils, consistency for new staff.
- Develop the transition to KSI to ensure effective teaching and learning continues to build upon previous learning.
- Ensure RE and Worship is of a high standard to meet the outstanding criteria for SIAMS inspection.
- Embed 'Understanding Christianity' curriculum fully across the school, assessing pupil attainment and progress to ensure the subject leader has a clear overview.
- Social, moral, cultural and spiritual plays a key role in developing pupils for their place in society, supporting British Values and preparing them for life.
- Ensure Mastery principles across the foundation are embedded into teaching and learning, allowing pupils to develop and show mastery in focus foundation subjects.
- Assessment systems are embedded to allow teachers and subject leaders to articulate learning across their curriculum areas.
- Inclusion leader to strengthen links with parents to develop effective working partnerships between home and school.

Plans for the premises include applying for a capital grant to build a classroom on the first floor and upgrade the school's water supply infrastructure.

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

FUNDS HELD AS CUSTODIAN

The Academy Trust and/or its trustees did not act as custodian trustee during the current or previous period.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 4 December 2017 and signed on its behalf by:

A Barton
Chair of Trustees

A handwritten signature in black ink, appearing to read 'Andrew Barton', with a horizontal line underneath the name.

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Barton, Chairman	4	4
D Bryant	3	4
D Churchill	4	4
B Debenham	2	4
L Judd, Staff Trustee	4	4
C Lee	2	2
A Mauger	4	4
G Nott	3	4
T O'Hara	1	2
R Patel	4	4
A Plumstead, Staff Trustee	4	4
S Taggart, Head Teacher and Accounting Officer	4	4
R Willson	2	2
Father C Mann	3	3

C Lee stepped down on 20 March 2017 and T O'Hara stepped down on 31 December 2016. The new Incumbent, Father C Mann joined the Board of Trustees on 5 December 2016. R Willson was appointed to the Board of Trustees on 1 January 2017 as a parent trustee. She has a background in child protection and sits on the pupil committee

During the year the Board of Trustees continued to develop its effectiveness.

Key changes include:

- o Trustees developed their monitoring activities to ensure visits have an impact. Senior leaders meet with link trustees at least termly to review school progress against agreed targets in the school action plan. Each target has a measureable impact on outcomes for pupils.
- o Trustees sought opportunities to meet other trustees and governors to support them in being more outward looking in order to develop their strategic role and to share best practice. Trustees continue to attend briefing sessions and have developed links with other schools.
- o The Trust has successfully been awarded the status of Academy Sponsor, therefore has the capacity to support schools in need and bring them into the trust.
- o The Trust is in the process of expanding, with Mountnessing Church of England Voluntary Controlled Primary School being approved by the Head Teacher's Board for Academy Conversion. This process has commenced and the conversion date is planned for 1 April 2018.
- o The resources and pupil committee continues to focus on the school priorities.

A review of governance was undertaken in the internal audit reviews this year. No significant issues to note were dealt with during the year. Next year the MAT will update its governance structure in readiness for expansion.

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GOVERNANCE STATEMENT (continued)

The Resources committee is a sub-committee of the main board of trustees. Its purpose is to make sure that the Academy is following the ESFA's financial regulations as well as:

- o Determining the Trust's financial priorities in line with the School Improvement Plan and Premises Development Plan
- o Monitoring and approving annual and medium term budget plans
- o Reviewing the Academy's internal financial control and risk management systems;
- o Making recommendations to the Board of Trustees in relation to the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the auditor;
- o Reviewing the auditor's independence and objectivity;

No significant issues to note were dealt with during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Barton (Chair)	6	6
D Bryant	5	6
B Debenham	6	6
A Mauger	6	6
S Taggart	5	6

REVIEW OF VALUE FOR MONEY

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

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

- Arising from a continuing review of key contracts the Trust changed its sickness absence provider and its broadband and telephony services provider in order to obtain enhanced service and better value for money from these services;
- The Trust made strategic staffing decisions to secure a stable staffing profile for the future and to support outstanding teaching and learning outcomes for pupils;
- The Trust utilises a financial budgeting software to assist with effective financial management. The Trust networks with other local schools to share best practice with respect to the financial management of the Trust.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Resources 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 board of trustees has considered the need for a specific internal audit function and has decided to appoint SBM Services Limited from 1 September 2016 as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included: governance, payroll, purchasing, income collection, control accounts and fixed assets

On a semi-annual basis, the internal auditor reports to the board of trustees through the resources committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Board of Trustees can confirm that the internal auditor has delivered their schedule of work as planned, and provided details of any material control issues arising as a result of their work.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the board of trustees on 4 December 2017 and signed on their behalf, by:

A Barton
Chair of Trustees



S Taggart
Accounting Officer



MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Mid Essex Anglican Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

S Taggart
Accounting Officer

Date: 4 December 2017

A handwritten signature in black ink, appearing to read 'S Taggart', written in a cursive style.

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

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

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

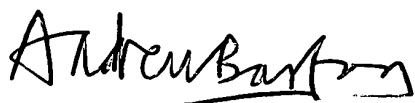
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 4 December 2017 and signed on its behalf by:



A Barton
Chair of Trustees

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MID
ESSEX ANGLICAN ACADEMY TRUST**

OPINION

We have audited the financial statements of Mid Essex Anglican Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy'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

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 information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MID
ESSEX ANGLICAN ACADEMY TRUST**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law 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, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MID
ESSEX ANGLICAN ACADEMY TRUST**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Mrs Fiona Read F.C.A. (Senior statutory auditor)

for and on behalf of

MWS

Chartered Accountants

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE
4 December 2017

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO MID ESSEX ANGLICAN ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

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

This report is made solely to Mid Essex Anglican Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Mid Essex Anglican 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 Mid Essex Anglican Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF MID ESSEX ANGLICAN ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Mid Essex Anglican Academy Trust's funding agreement with the Secretary of State for Education dated 30 May 2013, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO MID ESSEX ANGLICAN ACADEMY TRUST AND THE EDUCATION AND 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 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

A handwritten signature in black ink, appearing to be 'MWS', is written over a circular stamp or seal.

Chartered Accountants

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE

4 December 2017

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	81,080	390,049	37,988	509,117	142,837
Charitable activities	3	1,549,545	-	-	1,549,545	1,468,787
Other trading activities	4	97,315	-	18,220	115,535	110,228
Investments	5	-	-	389	389	535
TOTAL INCOME		1,727,940	390,049	56,597	2,174,586	1,722,387
EXPENDITURE ON:						
Charitable activities		1,805,540	144,417	-	1,949,957	1,842,200
TOTAL EXPENDITURE	8	1,805,540	144,417	-	1,949,957	1,842,200
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	(77,600) (8,591)	245,632 27,047	56,597 (18,456)	224,629 -	(119,813) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(86,191)	272,679	38,141	224,629	(119,813)
Actuarial gains/(losses) on defined benefit pension schemes	24	269,000	-	-	269,000	(352,000)
NET MOVEMENT IN FUNDS		182,809	272,679	38,141	493,629	(471,813)
RECONCILIATION OF FUNDS:						
Total funds brought forward		(643,640)	1,420,346	273,301	1,050,007	1,521,820
TOTAL FUNDS CARRIED FORWARD		(460,831)	1,693,025	311,442	1,543,636	1,050,007

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08524638

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	16		1,427,025		1,420,346
CURRENT ASSETS					
Debtors	17	468,381		209,273	
Cash at bank and in hand		443,906		303,442	
		<u>912,287</u>		<u>512,715</u>	
CREDITORS: amounts falling due within one year	18	<u>(154,676)</u>		<u>(69,054)</u>	
NET CURRENT ASSETS			<u>757,611</u>		<u>443,661</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,184,636</u>		<u>1,864,007</u>
Defined benefit pension scheme liability	24		<u>(641,000)</u>		<u>(814,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>1,543,636</u></u>		<u><u>1,050,007</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	180,169		170,360	
Restricted fixed asset funds	19	1,693,025		1,420,346	
		<u>1,873,194</u>		<u>1,590,706</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(641,000)</u>		<u>(814,000)</u>	
Total restricted income funds			<u>1,232,194</u>		<u>776,706</u>
Unrestricted funds	19		<u>311,442</u>		<u>273,301</u>
TOTAL FUNDS			<u><u>1,543,636</u></u>		<u><u>1,050,007</u></u>

The financial statements on pages 22 to 46 were approved by the Trustees, and authorised for issue, on 4 December 2017 and are signed on their behalf, by:

A Barton
Chair of Trustees



MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	21	(98,489)	(73,787)
Cash flows from investing activities:			
Capital expenditure and financial investment		(151,096)	(29,064)
Capital grants from DfE/ESFA		390,049	-
Net cash provided by/(used in) investing activities		238,953	(29,064)
Change in cash and cash equivalents in the year		140,464	(102,851)
Cash and cash equivalents brought forward		303,442	406,293
Cash and cash equivalents carried forward	22	443,906	303,442

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Mid Essex Anglican Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

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

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

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

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

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

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

Long-term leasehold property	-	125 years
Building enhancements	-	2 years straight-line basis
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	5 years straight-line basis
Computer equipment	-	4 years straight-line basis

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

The academy trust company occupies land provided to it by site trustees under mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

As the academy trust occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the trustees have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

However, since no rent is payable by the Academy, this amounts to a donation equal to the value of rent not charged. Consequently included within these accounts is a donation income amounting to £81,080 and a rent expense of £81,080. Further detail is provided in note 27 to these financial statements.

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

1.10 Liabilities and provisions

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

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

MID ESSEX ANGLICAN ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The only critical area of judgement other than the LGPS pension scheme liability is the exclusion of occupied land and buildings from the academy trusts financial statements, further details of which can be found in note 16.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	-	-	37,988	37,988	26,140
Capital Grants	-	390,049	-	390,049	35,617
Use of premises donation	81,080	-	-	81,080	81,080
	81,080	390,049	37,988	509,117	142,837
<i>Total 2016</i>	<i>81,080</i>	<i>35,617</i>	<i>26,140</i>	<i>142,837</i>	

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	1,397,291	-	1,397,291	1,294,562
Other DfE/ESFA grants	109,018	-	109,018	111,153
	<u>1,506,309</u>	<u>-</u>	<u>1,506,309</u>	<u>1,405,715</u>
Other government grants				
Local authority grants	18,370	-	18,370	42,659
	<u>18,370</u>	<u>-</u>	<u>18,370</u>	<u>42,659</u>
Other funding				
Other income	24,866	-	24,866	20,413
	<u>24,866</u>	<u>-</u>	<u>24,866</u>	<u>20,413</u>
	<u>1,549,545</u>	<u>-</u>	<u>1,549,545</u>	<u>1,468,787</u>
<i>Total 2016</i>	<u>1,468,787</u>	<u>-</u>	<u>1,468,787</u>	

4. OTHER TRADING ACTIVITIES

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	-	14,940	14,940	15,148
Catering income	59,764	-	59,764	54,277
Educational trips and visits	37,551	3,280	40,831	40,803
	<u>97,315</u>	<u>18,220</u>	<u>115,535</u>	<u>110,228</u>
<i>Total 2016</i>	<u>95,080</u>	<u>15,148</u>	<u>110,228</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. INVESTMENT INCOME

	Restricted funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Short term deposits	-	389	389	535
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total 2016</i>	<u> </u> -	<u> </u> 535	<u> </u> 535	

6. DIRECT COSTS

	Educational Operations £	Total 2017 £	Total 2016 £
Technology costs	3,781	3,781	5,515
Educational supplies	16,695	16,695	23,231
Insurance	12,233	12,233	12,078
Staff development	5,629	5,629	5,554
Educational consultancy	22,334	22,334	12,145
Supply teaching costs	1,917	1,917	14,201
Recruitment and support	239	239	895
Other staff costs	1,028	1,028	1,568
Wages and salaries	872,696	872,696	834,367
National insurance	76,710	76,710	59,384
Pension cost	141,332	141,332	132,381
	<u> </u>	<u> </u>	<u> </u>
	1,154,594	1,154,594	1,101,319
	<u> </u>	<u> </u>	<u> </u>
<i>At 31 August 2016</i>	<u> </u> 1,101,319	<u> </u> 1,101,319	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. SUPPORT COSTS

	Educational Operations	Total 2017	Total 2016
	£	£	£
Net pension finance charge	17,000	17,000	16,000
Technology costs	824	824	107
Maintenance of premises	30,012	30,012	37,678
Cleaning	6,879	6,879	8,280
Rent and rates	89,743	89,743	90,074
Energy costs	13,661	13,661	16,692
Insurance	10,828	10,828	14,581
Security and transport	4,672	4,672	1,254
Catering	52,864	52,864	47,485
Support staff supply costs	3,022	3,022	2,010
Legal and professional fees	33,608	33,608	34,999
Other support costs	46,862	46,862	54,014
School trips	37,067	37,067	39,007
Wages and salaries	181,138	181,138	176,799
National insurance	8,326	8,326	7,357
Pension cost	114,440	114,440	62,789
Depreciation	144,417	144,417	131,755
	795,363	795,363	740,881
<i>At 31 August 2016</i>	<i>740,881</i>	<i>740,881</i>	

During the year ended 31 August 2017, the academy incurred the following Governance costs:
£8,470 (2016 - £8,660) included within the table above in respect of Educational Operations.

8. EXPENDITURE

	Staff costs 2017	Premises 2017	Other costs 2017	Total 2017	<i>As restated Total 2016</i>
	£	£	£	£	£
Educational Operations:					
Direct costs	1,090,738	-	63,856	1,154,594	1,101,319
Support costs	303,903	140,312	351,148	795,363	740,881
	1,394,641	140,312	415,004	1,949,957	1,842,200
<i>Total 2016</i>	<i>1,273,075</i>	<i>152,724</i>	<i>416,401</i>	<i>1,842,200</i>	

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

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations	1,154,594	795,363	1,949,957	1,842,200
<i>Total 2016</i>	1,101,319	740,881	1,842,200	

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	144,417	131,811
Auditors' remuneration - audit	6,650	6,500
Governance Internal audit costs	1,820	1,470
Operating lease rentals	13,443	13,496

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

11. STAFF COSTS

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	1,051,917	994,954
Social security costs	85,036	66,741
Operating costs of defined benefit pension schemes	255,771	195,169
	1,392,724	1,256,864
Supply teacher costs	1,917	16,211
	1,394,641	1,273,075

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

	2017	2016
	No.	No.
Management	3	3
Teachers and classroom support	44	41
Admin	15	15
	62	59

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

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

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for this employee amounted to £11,491 (2016: £10,074).

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) received by key management personnel for their services to the academy trust was £168,503 (2016: £165,663).

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

12. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017	2016
		£	£
A Plumstead	Remuneration	5,000-10,000	<i>5,000-10,000</i>
	Pension contributions paid	0-5,000	<i>0-5,000</i>
L Judd	Remuneration	40,000-45,000	<i>40,000-45,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
S Taggart, Head Teacher	Remuneration	65,000-70,000	<i>65,000-70,000</i>
	Pension contributions paid	10,000-15,000	<i>10,000-15,000</i>

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

13. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

14. OTHER FINANCE INCOME

	2017	2016
	£	£
Interest on pension scheme liabilities	(17,000)	<i>(16,000)</i>

15. TRANSFER BETWEEN FUNDS

Funds have been transferred in respect of the following;

£8,591 has been transferred from restricted funds to restricted fixed asset funds representing assets purchased using the General Annual Grant.

£18,456 has been transferred from unrestricted funds to restricted fixed asset funds representing assets purchased from donations.

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

16. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Building enhance- ments £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost						
At 1 September 2016	1,250,000	158,750	-	194,053	34,543	1,637,346
Additions	-	115,335	12,906	13,570	9,285	151,096
Disposals	-	-	-	-	(830)	(830)
At 31 August 2017	1,250,000	274,085	12,906	207,623	42,998	1,787,612
Depreciation						
At 1 September 2016	32,500	79,375	-	90,716	14,409	217,000
Charge for the year	10,000	79,375	2,689	42,750	9,586	144,400
On disposals	-	-	-	-	(813)	(813)
At 31 August 2017	42,500	158,750	2,689	133,466	23,182	360,587
Net book value						
At 31 August 2017	1,207,500	115,335	10,217	74,157	19,816	1,427,025
At 31 August 2016	1,217,500	79,375	-	103,337	20,134	1,420,346

17. DEBTORS

	2017 £	2016 £
Due after more than one year		
Other debtors	81,080	81,080
Due within one year		
VAT recoverable	14,194	9,322
Other debtors	81,080	81,080
Prepayments and accrued income	292,027	37,791
	<u>468,381</u>	<u>209,273</u>

18. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	308
Other taxation and social security	22,156	-
Other creditors	9,102	1,891
Accruals and deferred income	123,418	66,855
	<u>154,676</u>	<u>69,054</u>

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

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	42,982	-
Resources deferred during the year	47,382	42,982
Amounts released from previous years	(42,982)	(43,112)
	<hr/> 47,382 <hr/>	<hr/> (130) <hr/>
Deferred income at 31 August 2017		

The deferred income at 31 August 2017 is made up of the following:

ESFA Rates Funding £2,826
UIFSM Funding £36,199
Catering Income £1,882
Trips Income £2,010
Donations £4,465

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted general funds	273,301	56,597	-	(18,456)	-	311,442
Restricted funds						
General Annual Grant (GAG)	-	1,397,291	(1,375,599)	(8,591)	-	13,101
Other DFE/ESFA grants	4,690	109,017	(108,799)	-	-	4,908
Local Authority grants	3,510	18,370	(21,880)	-	-	-
Other Income	-	122,182	(122,182)	-	-	-
Use of Premises Reserve	162,160	81,080	(81,080)	-	-	162,160
Pension reserve	(814,000)	-	(96,000)	-	269,000	(641,000)
	<u>(643,640)</u>	<u>1,727,940</u>	<u>(1,805,540)</u>	<u>(8,591)</u>	<u>269,000</u>	<u>(460,831)</u>
Restricted fixed asset funds						
Inherited fixed assets	1,239,114	-	(38,749)	-	-	1,200,365
Assets purchased since conversion	181,232	-	(105,668)	151,096	-	226,660
DFE/ESFA Capital Grants	-	390,049	-	(124,049)	-	266,000
	<u>1,420,346</u>	<u>390,049</u>	<u>(144,417)</u>	<u>27,047</u>	<u>-</u>	<u>1,693,025</u>
Total restricted funds	<u>776,706</u>	<u>2,117,989</u>	<u>(1,949,957)</u>	<u>18,456</u>	<u>269,000</u>	<u>1,232,194</u>
Total of funds	<u>1,050,007</u>	<u>2,174,586</u>	<u>(1,949,957)</u>	<u>-</u>	<u>269,000</u>	<u>1,543,636</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Unrestricted general funds	279,272	41,823	-	(47,794)	-	273,301
	<u>279,272</u>	<u>41,823</u>	<u>-</u>	<u>(47,794)</u>	<u>-</u>	<u>273,301</u>

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19. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	13,173	1,294,562	(1,326,261)	18,526	-	-
Other DFE/ESFA grants	-	111,153	(106,463)	-	-	4,690
Local Authority grants	-	42,659	(39,149)	-	-	3,510
Other Income	-	115,493	(115,493)	-	-	-
Use of Premises Reserve	162,160	81,080	(81,080)	-	-	162,160
Pension reserve	(420,000)	-	(42,000)	-	(352,000)	(814,000)
	<u>(244,667)</u>	<u>1,644,947</u>	<u>(1,710,446)</u>	<u>18,526</u>	<u>(352,000)</u>	<u>(643,640)</u>

Restricted fixed asset funds

Inherited fixed assets	1,269,843	-	(30,729)	-	-	1,239,114
Assets purchased since conversion	217,373	-	(101,026)	64,885	-	181,232
DFE/ESFA Capital Grants	-	35,617	-	(35,617)	-	-
	<u>1,487,216</u>	<u>35,617</u>	<u>(131,755)</u>	<u>29,268</u>	<u>-</u>	<u>1,420,346</u>
Total restricted funds	<u>1,242,549</u>	<u>1,680,564</u>	<u>(1,842,201)</u>	<u>47,794</u>	<u>(352,000)</u>	<u>776,706</u>
Total of funds	<u>1,521,821</u>	<u>1,722,387</u>	<u>(1,842,201)</u>	<u>-</u>	<u>(352,000)</u>	<u>1,050,007</u>

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

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

Restricted general funds are resources for educational purposes.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes.

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	1,427,025	-	1,427,025
Debtors due after more than 1 year	-	-	81,080	81,080
Current assets	334,846	266,000	230,362	831,208
Creditors due within one year	(154,677)	-	-	(154,677)
Provisions for liabilities and charges	(641,000)	-	-	(641,000)
	<u>(460,831)</u>	<u>1,693,025</u>	<u>311,442</u>	<u>1,543,636</u>

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Unrestricted funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	1,420,346	-	1,420,346
Debtors due after more than 1 year	-	-	81,080	81,080
Current assets	239,415	-	192,220	431,635
Creditors due within one year	(69,054)	-	-	(69,054)
Provisions for liabilities and charges	(814,000)	-	-	(814,000)
	<u>(643,639)</u>	<u>1,420,346</u>	<u>273,300</u>	<u>1,050,007</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	224,629	(119,813)
Adjustment for:		
Depreciation charges	144,400	131,551
Loss on the sale of fixed assets	17	-
(Increase)/decrease in debtors	(259,108)	3,762
Increase/(decrease) in creditors	85,622	(95,670)
Capital grants from DfE and other capital income	(390,049)	(35,617)
Defined benefit pension scheme cost less contributions payable	79,000	26,000
Defined benefit pension scheme finance cost	17,000	16,000
Net cash used in operating activities	<u>(98,489)</u>	<u>(73,787)</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	443,906	303,442
Total	<u>443,906</u>	<u>303,442</u>

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NOTES TO THE FINANCIAL STATEMENTS
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23. CAPITAL COMMITMENTS

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

	2017 £	2016 £
Contracted for but not provided in these financial statements	<u>240,104</u>	<u>-</u>

24. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of

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24. PENSION COMMITMENTS (continued)

the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £116,792 (2016 - £110,771).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £79,000 (2016 - £77,000), of which employer's contributions totalled £61,000 (2016 - £60,000) and employees' contributions totalled £18,000 (2016 - £17,000). The agreed contribution rates for future years are 12.3% for employers and 5.5% to 7.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	2.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
RPI increase	3.60 %	3.20 %

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

	2017	2016
Retiring today		
Males	22.2	22.9
Females	24.7	25.3
Retiring in 20 years		
Males	24.3	25.2
Females	27	27.7

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

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	263,000	189,000
Gilts	25,000	10,000
Corporate bonds	16,000	12,000
Property	39,000	30,000
Cash and other liquid assets	12,000	8,000
Alternative assets	31,000	12,000
Other managed funds	17,000	13,000
	<hr/>	<hr/>
Total market value of assets	403,000	274,000
	<hr/>	<hr/>

The actual return on scheme assets was £45,000 (2016 - £30,000).

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

	2017 £	<i>2016 £</i>
Current service cost	(140,000)	(86,000)
Interest cost	(17,000)	(16,000)
	<hr/>	<hr/>
Total	(157,000)	(102,000)
	<hr/>	<hr/>

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

	2017 £	<i>2016 £</i>
Opening defined benefit obligation	1,088,000	588,000
Current service cost	140,000	86,000
Interest cost	24,000	24,000
Employee contributions	18,000	17,000
Actuarial (gains)/losses	(224,000)	374,000
Benefits paid	(2,000)	(1,000)
	<hr/>	<hr/>
Closing defined benefit obligation	1,044,000	1,088,000
	<hr/>	<hr/>

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

24. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	274,000	168,000
Interest income	7,000	8,000
Actuarial losses	45,000	22,000
Employer contributions	61,000	60,000
Employee contributions	18,000	17,000
Benefits paid	(2,000)	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	403,000	274,000
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25. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	13,443	13,443
Between 1 and 5 years	433	13,876
	<hr/>	<hr/>
Total	13,876	27,319
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26. MEMBERS' LIABILITY

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

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27. RELATED PARTY TRANSACTIONS

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

The academy trust occupies land provided to it by site trustees under a licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period. The licence is held between the academy trust and the Board of Education of the Diocese of Chelmsford and the Board of Finance of the Diocese of Chelmsford and the Incumbent and Churchwardens of the Parish of Shenfield.

As the academy trust occupies the land and such buildings as may be or may come to be erected on it by a licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the directors have concluded that the value of the land and buildings occupied by the academy trust will not be recognised on the balance sheet of the company.

However the trustees consider this represents a donation in kind corresponding to a rent expense. They consider a reasonable open market rent to be equivalent to 1/50th of the ESFA's desktop valuation. Since no notice has been given, the Academy has the right to occupy the premises for at least 2 years following the Balance Sheet date.

Consequently these accounts include; Donations £81,080 (2016: £81,080); Rent £81,080 (2016: £81,080); Prepayments due under 1 year £81,080 (2016: £81,080) and Prepayments due over 1 year £81,080 (2016: £81,080).

During the period the Diocese of Chelmsford provided the academy trust with services to the value of £1,171 (2016: £1,048) which is included in educational support costs within these financial statements. There were no transactions during the period between the academy and the Incumbent and Churchwardens of the Parish of Shenfield (2016: £NIL). There were no balances owing to/from the Diocese of Chelmsford and the Incumbent and Churchwardens of the Parish of Shenfield at 31 August 2017 (2016: £NIL).

During the period the academy trust purchased carpets to the value of £1,235 (2016 : £Nil) from GR Plumstead Carpet Planning, a business of which the husband of A Plumstead, a trustee, is sole proprietor. There were no balances owing to GR Plumstead Carpet Planning at 31 August 2017 (2016: £NIL).

In entering into these transactions the trust has complied with the requirements of ESFA's Academies Financial Handbook.

There were no other related party transactions during the period.

28. CONTROLLING PARTY

There is no overall controlling party.