

SUMMERCROFT PRIMARY SCHOOL

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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SUMMERCROFT PRIMARY SCHOOL
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	Mr T Winstanley Mr K Goodeve (appointed 10 December 2015) Mr M Kirby (appointed 10 December 2015) Mrs C Hinstridge (resigned 9 November 2015) Mrs E Bailey Mr J O'Gorman
Trustees	Mr T Winstanley, Chair of Governors Mrs C Hinstridge, Headteacher Mr S Jess, Deputy Headteacher Mrs A Burns, Staff Governor Mrs E Bailey, Parent Governor Mr K Goodeve, Parent Governor Mrs J Anderson, Parent Governor Mr J O'Gorman, Parent Governor Miss S Evans, Staff Governor Mr M Kirby, Community Governor Mr M Piper, Parent Governor Mr S Watkins, Parent Governor Mr S Parry, Community Governor (appointed 16 March 2016)
Company Secretary	Mrs R Smith
Chief Executive Officer	Mrs C Hinstridge
Leadership Team	Mrs C Hinstridge, Headteacher Mr S Jess, Deputy Headteacher Mrs C Bugg, Assistant Headteacher Mrs H Smith, SENCO Mr T Purser, Year 2 Mrs K Davey, Year 6 Mrs J Brewer, Year 4 Mrs E Richardson, Year 6
Company name	Summercroft Primary School
Registered and principal office	Plaw Hatch Close Bishop's Stortford Hertfordshire CM23 5BJ
Company registered number	07715667
Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	NatWest 7 North Street Bishop's Stortford Hertfordshire CM23 2JT

SUMMERCROFT PRIMARY SCHOOL
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their Annual Report together with the financial statements and Auditor's Report of Summerville Primary School (the Academy, The Trust or the Charitable Company) for the year ended 31 August 2016. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates an Academy School for pupils aged 3 to 11 serving a catchment area in Bishop's Stortford East. It has a pupil capacity of 460 and had a roll of 454 in the 2016 school census.

Structure, Governance and Management

The Academy is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is known as Summerville Primary School (the School).

Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

Members' Liability

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

Trustees and Officers' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover on any one claim and details of the costs are disclosed in Note 11 to the accounts.

Method of Recruitment and Appointment or Election of Trustees

The Members of the Charitable Company may appoint up to 3 Trustees. Such members may appoint Staff Trustees through such process as they may determine. The Local Authority may appoint a Trustee. Parent Trustees each of whom must be a parent of a pupil at the Academy at the time of election shall be elected by parents of registered pupils at the Academy in accordance with arrangements made by the Trustees. The Trustees may appoint up to one co-opted Trustee.

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Headteacher is an ex officio member of the Governing Body. Parent Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for not less than 3 Trustees but no maximum being up to 3 Trustees appointed by the members, 4 Staff Trustees if appointed, 1 Local Authority Trustee if appointed, a minimum of 2 Parent Trustees and 1 co-opted Trustee if appointed but the total number of Trustees including the Headteacher who are employees of the Charitable Company must not exceed one third of the total number of Trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are invited to take a tour of the Academy and meet some of the pupils and staff. They are given a Trustees' Information Pack which includes a Code of Conduct, the Trustees' Visits Policy and the Terms of Reference of the committees. They have an induction meeting with a mentor and attend induction training by an external provider.

The Charitable Company is committed to providing adequate opportunities for Trustees to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust has a training package with an external provider.

All new Trustees are entitled to further induction to the role, according to their need, which may include introductory sessions, further mentoring and further formal courses. This process will involve a meeting with the Chair of Trustees and Headteacher or Deputy Headteacher.

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

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board of Trustees is led by the Chair of Trustees who is assisted and supported by a Vice Chair or Vice Chairs. There are two Committees which have their own terms of reference one for Finance and Resources which has some delegated financial powers and one for Learning and Pupil Progress. Each Trustee monitors a curriculum subject or undertakes some other area of responsibility.

The Board of Trustees, which meets on at least 4 occasions per year and each individual committee at least 2 times per year, is responsible for the strategic direction of the Academy and for ensuring accountability and financial probity. The Board reviews progress towards educational objectives and results, approves major expenditure requests, sets the budget for the following year, sets the organisational staffing structure and agrees the performance objectives of the Headteacher with the School Improvement Partner and reviews them.

The Headteacher is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher delegates responsibility for low values of expenditure to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy on a daily basis supported by a Leadership Team of senior and middle leaders (LT). The LT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Board of Trustees as required for approval. Each member of the LT has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel means the Headteacher, Deputy Headteacher and Assistant Headteacher of the Academy to whom the Trustees have delegated significant authority and responsibility for the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scale for the role, the level of experience and progress towards performance management objectives. In addition, pay levels may be affected by nationally agreed pay awards and the ability to recruit and retain in post. All of these factors are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration are approved by the Finance and Resources Committee and ratified by the Board of Trustees.

Related Parties and other Connected Charities and Organisations

The Academy is a single Academy Trust and is not part of a federation. Owing to the nature of the Trust's operations and the composition of the Board of Trustees, being drawn from local public and private sector organisations, it is possible that from time to time transactions may take place with organisations in which members of the Board have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust does not have a formal sponsor.

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of the School to provide free education and care for pupils of different abilities between the ages of 3 and 11.

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

Objectives, Strategies and Activities

The main objectives for the year were:- to improve teaching to raise standards and help pupils to make good progress and to practise their mathematical skills in practical and problem solving situations and to strengthen leadership and management by ensuring that systems introduced to check pupils' achievement are consistently applied; all subject leaders take more direct responsibility for improving the quality of teaching and holding teams to account for the progress of pupils in their areas, and that Trustees check how well the Academy is doing and visits are focussed on the priorities for improvement.

During the year the School has worked towards these aims by:

- A comprehensive written plan of actions, responsibilities for them, success criteria and specific monitoring.
- Setting challenging appraisal and performance management objectives for the Headteacher and teaching staff that also meet career grade expectations and addressing underperformance.
- Appointing middle leaders being core subject leaders and phase team leaders with responsibility for monitoring the quality of teaching and the progress and attainment of pupils in their areas and giving training to them.
- Trustee link roles for core curriculum subjects and leadership and management and visit feedback forms indicating the links between the visit and the objectives
- Supplying the Trustees with comprehensive data on the progress and attainment of pupils so that they can ask challenging questions.

Our success in fulfilling our aims can be measured by:

- Reviews by the Local Authority and the Academy's Improvement Partner both judged that progress towards the main objectives was Good.
- The Achievements and Performance noted in the Strategic Report.

Public Benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

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

Strategic Report

Achievements and Performance

The Trust continued its objectives to ensure that pupils achieve their potential through a broad and balanced curriculum, encourage a wide range of enrichment activities, develop and retain outstanding staff.

Specific achievements were as follows:

EYFS

EYFSP 3 year trend	2014 GLD			2015 GLD			2016 GLD		
	Sch	Herts	Nat	Sch	Herts	Nat	Sch	Herts	Nat
% attaining good level of development	83%	66%	60%	48%	69%	61%	77%	70%	69%

- 30% increase in children attaining Good Level of Development (GLD) at end of EYFS compared to last year.
- Above Herts and National % attaining GLD

Year 1 Phonics

Phonics Screening Check	2014			2015			2016		
	Sch	Herts	Nat	Sch	Herts	Nat	Sch	Herts	Nat
% Y1 reaching expected standard	92%	77%	74%	93%	80%	77%	90%	83%	-

- Strong 3 year trend of data continues
- Above Herts and National figures reaching expected standard

End of KS1

EXS +	Reading		Writing		Maths		Science	
	Sch	Herts	Sch	Herts	Sch	Herts	Sch	Herts
	80%	79%	73%	71%	81%	77%	82%	85%

- RWM EXS+ 66%
- Above Herts in all areas except Science
- No comparisons can be made to previous years

End of KS2

	School	National	Herts	Progress (Value Added)	
				School	National
Reading	77%	66%	72%	+1.86	-5
GPS	90%	72%	76%		
Maths	92%	70%	73%	+3.89	-5
Writing	79%	74%	79%	+1.86	-7
R, W and M	66%	53%	59%		

- Attainment is above National in all areas
- Two thirds of Hertfordshire schools did not meet the 65% floor standard
- Progress (Value Added) is strong for Reading, Writing and Maths
- No comparisons can be made to previous years

Key Performance Indicators

The Trustees receive regular information at committee meetings to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2016 were 454 against a forecast of 452.

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Another key financial performance indicator is staffing costs as a percentage of total income. For 2015/16 this was 73% against set parameters of 80%. The Board of Trustees is confident that staffing levels are closely monitored to agreed Full Time Equivalent and staffing structures are approved by the Board.

The Finance and Resources Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. All of the above KPIs were within the parameters set by the Board.

Going Concern

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

Financial Review

The principal source of funding for the Trust is the GAG and other grants that it receives from the Education Funding agency (EFA). For the year ended 31 August 2016 the Trust received £1,729,736 of GAG funding and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education. The Academy brought forward from 14/15, £55,139 unrestricted funding. The carry forward for 15/16 is £61,234 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £846,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Bursar. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £61,234. This has been built up from a mixture of locally raised income and balances transferred from the predecessor school.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2016 was £61,234.

The cash balance of the Academy has been reasonable all year, ending the year with a balance of £212,496. The Trustees monitor cash flow as part of the committee Bursar reports.

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at the Finance and Resources Committee meetings. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an Academy School, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

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The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- the Academy has considerable reliance on continued Government funding through the EFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that pupil progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Academy is reliant on the quality of its staff and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - The Academy has appointed an internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Academy only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist the main risk to the Academy is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Plans for Future Periods

The Academy will continue to raise standards for all pupils and build on the good progress recorded in the SATs results this year. The Academy will also continue to work with other local schools and organisations in order to provide pupils with a wide range of opportunities for their learning.

Following our successful bid for £23K to remove asbestos in the boiler rooms in August 2016, work to improve the condition of the School will be taken forward. The walkway between the Infant and Junior buildings was partly refurbished in October 2016 and it is proposed to spend the 2016/17 ACMF grant on refurbishing the ladies cloakroom in the Infant building. The School will also consider whether to make a bid for funding in order to extend the dining room and kitchen areas.

Funds Held as Custodian Trustee on Behalf of Others

No funds are held as custodian Trustee.

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Charitable Company's Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the AGM of the Charitable Company.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 1 December 2016 and signed on the Board's behalf by:

Mr M Kirby
Chair of Trustees

SUMMERCROFT PRIMARY SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Summercroft Primary School and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 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
Mr T Winstanley	4	4
Mrs C Hintridge	4	4
Mr S Jess	4	4
Mrs A Burns	3	4
Mrs E Bailey	4	4
Mr K Goodeve	4	4
Mrs J Anderson	3	4
Mr J O'Gorman	2	4
Miss S Evans	4	4
Mr M Kirby	4	4
Mr M Piper	4	4
Mr S Watkins	3	4
Mr S Parry	2	2

The terms of office of Jan Cutler Chair of Trustees, Moira Weir Community Trustee and Jill Gapper Staff Trustee expired 30 August 2015 and none sought reappointment. Tim Winstanley previously Vice Chair was elected Chair and Michael Kirby was elected Vice Chair as part of the succession plan. Simon Parry was appointed a Community Trustee on 16 March 2016. Jill Gapper was not replaced by another Staff Trustee as this was no longer possible since the ratio of Staff Trustees plus Headteacher to the overall number of Trustees as restricted by the Articles of Association would be exceeded.

Asbestos was discovered in the boiler rooms which had to be removed during the summer School holidays if the School was to be able to function when the weather got colder.

An external review of governance was carried out by the Local Authority during the year. Trustees have developed their effectiveness. Visits are now focussed on the School's priorities and minutes reflect this. All Trustees are now aware of the School's progress towards its priorities. They are confident to ask more challenging questions and there is a good open relationship with the Senior Leadership Team. Minutes show they probe for more detail where needed. They are aware of the range of monitoring and evaluation activities undertaken by the leaders and have carried out some themselves. They are aware of the picture of teaching and any underperformance. They are clear that the assessments which the School makes are accurate and vigorous because they are moderated internally and externally.

The Trustees are represented at all visits, and have carried out activities with the School's Improvement Partner, which has helped with developing a strong view of strengths and the next steps for the School. The visit reports scrutinised are of a high quality as they focus on the key priorities and include actions and questions. The Trustees need a better understanding of career grade expectations and how well teachers are moving towards their objectives.

The Trustees have taken action to develop a system of monitoring staff performance management.

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GOVERNANCE STATEMENT (continued)

The Finance and General Purposes Committee is a sub-committee of the Board of Trustees. Its purpose is to;

- Appoint Auditor and Financial Officer review reports.
- Review and monitor staffing changes and structure.
- Review the risk register and schedule of financial delegation.
- Consider new policies and make recommendations on non statutory policies.
- Prepare with the Headteacher and Bursar a capital and expenditure budget and five year financial plan for submission to the full governing board.
- Review lettings income and strategy.
- Oversee, review and monitor expenditure within the budget including pupil premium and ensure value for money is being sought.
- Review and monitor Pay Policy.
- Consider all aspects of the remuneration of teaching and support staff and ensure compliance with the School Teachers Pay and Conditions.
- Consider recommendations by the Headteacher regarding pay for teaching staff within performance related pay review process.

During the year Kevin Goodeve was appointed Chair of the Committee in place of Tim Winstanley and Michael Kirby joined in place of Jan Cutler and Moira Weir and as part of the succession plan. Simon Parry also joined.

The biggest challenge was to prepare a balanced budget due to reductions in income.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr T Winstanley	3	4
Mr M Kirby	4	4
Mrs C Hinstridge	4	4
Mr K Goodeve	4	4
Mr J O'Gorman	4	4
Mr S Parry	2	2

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:

- Four Higher Level Teaching Assistants have achieved their qualification which has resulted in more cost effective and higher quality provision for PPA cover.
- Catalyst Teaching School Alliance has brokered, on the School's behalf, for School to School support to improve leadership and management of the School and to secure a successful Ofsted outcome.
- We have invested in an additional lead Midday Supervisory Assistant in KS1 to improve the retention of MSAs.

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 Summernote Primary School for the year 1 September 2015 to 31 August 2016 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Essex County Council 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. On a termly basis, the Internal Auditor's reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The most recent schedule of work was carried out during July 16 and included the following;

- Review of personnel and payroll (sample checks that monthly payroll is monitored, appropriately authorised, salary changes authorised, salary details agree with contract).
- Asset and IT Security (check of School inventory, assets security marked).
- Payment (sample of payment back to invoices, orders and delivery notes).
- Governance and Financial Management (review of DfE returns, review risk register, Schedule of Financial Delegation, Register of Business Interests).
- Banking (review of bank recs).
- Expense Claims (review process for claiming expenses).
- Financial Monitoring and Reporting (budget amendments, reporting to Trustees).
- Income (receipt from parents, income generation, sample testing).

The Internal Auditor carried out their schedule of work as planned and no material issues were found. All recommendations from these reports have been implemented.

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GOVERNANCE STATEMENT (continued)

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 Finance and General Purposes Committee and a plan to ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 1 December 2016 and signed on their behalf, by:

Mr M Kirby
Chair of Trustees

Mrs C Hinstridge
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the 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 2015.

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

Mrs C Hinstridge
Accounting Officer

Date: 1 December 2016

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

The Trustees (who act as Governors of Summercroft 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 Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by the Board of Trustees on 1 December 2016 and signed on its behalf by:

Mr M Kirby
Chair of Trustees

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SUMMERCROFT PRIMARY SCHOOL**

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

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
SUMMERCROFT PRIMARY SCHOOL**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
19 December 2016

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
SUMMERCROFT PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 August 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Summercroft Primary School during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to Summercroft Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Summercroft Primary School and the EFA those matters we are required to state in a Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Summercroft Primary School and the EFA, for our work, for this Report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF SUMMERCROFT PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT'S

The Accounting Officer is responsible, under the requirements of Summercroft Primary School's funding agreement with the Secretary of State for Education dated 21 March 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers' statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
SUMMERCROFT PRIMARY SCHOOL AND THE EDUCATION 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Chartered Accountants

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

19 December 2016

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	-	50,301	32,478	82,779	168,237
Charitable activities	3	61,993	1,697,258	-	1,759,251	1,802,509
Other trading activities	4	33,108	27,154	-	60,262	74,972
Investments	5	235	-	-	235	253
TOTAL INCOME		<u>95,336</u>	<u>1,774,713</u>	<u>32,478</u>	<u>1,902,527</u>	<u>2,045,971</u>
EXPENDITURE ON:						
Charitable activities		<u>89,241</u>	<u>1,804,713</u>	<u>123,443</u>	<u>2,017,397</u>	<u>2,133,058</u>
TOTAL EXPENDITURE	6	<u>89,241</u>	<u>1,804,713</u>	<u>123,443</u>	<u>2,017,397</u>	<u>2,133,058</u>
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		6,095	(30,000)	(90,965)	(114,870)	(87,087)
Actuarial losses on defined benefit pension schemes	20	<u>-</u>	<u>(345,000)</u>	<u>-</u>	<u>(345,000)</u>	<u>(2,000)</u>
NET MOVEMENT IN FUNDS		<u>6,095</u>	<u>(375,000)</u>	<u>(90,965)</u>	<u>(459,870)</u>	<u>(89,087)</u>
RECONCILIATION OF FUNDS:						
Total funds brought forward		<u>55,139</u>	<u>(471,000)</u>	<u>2,255,825</u>	<u>1,839,964</u>	<u>1,929,051</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>61,234</u></u>	<u><u>(846,000)</u></u>	<u><u>2,164,860</u></u>	<u><u>1,380,094</u></u>	<u><u>1,839,964</u></u>

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07715667

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		2,162,912		2,255,825
CURRENT ASSETS					
Debtors	13	36,528		24,052	
Cash at bank and in hand		212,496		181,256	
		<u>249,024</u>		<u>205,308</u>	
CREDITORS: amounts falling due within one year	14	(185,842)		(150,169)	
			<u>63,182</u>		<u>55,139</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,226,094</u>		<u>2,310,964</u>
Defined benefit pension scheme liability	20		(846,000)		(471,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>1,380,094</u></u>		<u><u>1,839,964</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds excluding pension liability		2,164,860		2,255,825	
Pension reserve		(846,000)		(471,000)	
Total restricted income funds			<u>1,318,860</u>		<u>1,784,825</u>
Unrestricted income funds	15		61,234		55,139
TOTAL FUNDS			<u><u>1,380,094</u></u>		<u><u>1,839,964</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 1 December 2016 and are signed on their behalf, by:

Mr M Kirby
Chair of Trustees

The notes on pages 21 to 35 form part of these financial statements.

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	17	38,105	166,974
Returns on investments and servicing of finance - interest			
Dividends, interest and rents from investments		235	253
Purchase of tangible fixed assets		(7,100)	(13,984)
Net cash used in investing activities			
		(6,865)	(13,731)
Change in cash and cash equivalents in the year			
Cash and cash equivalents brought forward		31,240	153,243
		181,256	28,013
Cash and cash equivalents carried forward			
		212,496	181,256

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Summercroft Primary School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 23.

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 DfE.

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

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

All resources expended are inclusive of irrecoverable VAT.

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.

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.

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	22 years straight line
Leasehold land	-	125 years straight line
Fixtures and fittings	-	10-15 years straight line
Computer equipment	-	3-10 years straight line

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 Interest receivable

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

1.9 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.

1.10 Liabilities and provisions

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

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, 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.

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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

1.12 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	50,301	-	50,301	50,394
Capital grants	-	32,478	32,478	117,843
	<u>50,301</u>	<u>32,478</u>	<u>82,779</u>	<u>168,237</u>
Total donations and capital grants	<u>50,301</u>	<u>32,478</u>	<u>82,779</u>	<u>168,237</u>

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £168,237 was to restricted funds

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	1,451,099	1,451,099	1,454,466
Other DfE / EFA grants	-	176,741	176,741	198,649
	<u>-</u>	<u>1,627,840</u>	<u>1,627,840</u>	<u>1,653,115</u>
Other government grants				
Local Authority grants	-	69,418	69,418	91,537
	<u>-</u>	<u>69,418</u>	<u>69,418</u>	<u>91,537</u>
Other funding				
Catering income	61,993	-	61,993	57,857
	<u>61,993</u>	<u>-</u>	<u>61,993</u>	<u>57,857</u>
	<u>61,993</u>	<u>1,697,258</u>	<u>1,759,251</u>	<u>1,802,509</u>

In 2015, of the total income from charitable activities, £57,857 was to unrestricted funds and £1,744,652 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	31,449	6,746	38,195	40,293
Other income	1,659	20,408	22,067	34,679
	<u>33,108</u>	<u>27,154</u>	<u>60,262</u>	<u>74,972</u>

In 2015, of the total income from other trading activities, £37,796 was to unrestricted funds and £37,176 was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	235	235	253
	<u>235</u>	<u>235</u>	<u>253</u>

In 2015, of the total investment income, £253 was to unrestricted funds and £NIL was to restricted funds.

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	As restated Total 2015 £
Provision of Education:					
Direct costs	1,248,660	-	133,451	1,382,111	1,421,295
Support costs	147,773	242,416	245,097	635,286	711,763
	<u>1,396,433</u>	<u>242,416</u>	<u>378,548</u>	<u>2,017,397</u>	<u>2,133,058</u>

In 2016, of the total expenditure, £89,241 (2015 - £53,735) was to unrestricted funds and £1,928,156 (2015 - £2,079,323) was to restricted funds.

7. CHARITABLE ACTIVITIES

	2016 £	As restated 2015 £
Direct costs	1,382,111	1,421,295
Support costs	635,286	711,763
	<u>2,017,397</u>	<u>2,133,058</u>

Analysis of support costs	2016 £	2015 £
Staff costs	147,773	161,354
Depreciation	100,013	99,258
Technology costs	50,424	48,149
Premises costs (excluding depreciation)	142,403	216,307
Other costs	186,673	179,010
Governance costs	8,000	7,685
	<u>635,286</u>	<u>711,763</u>

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned or leased by the Academy	100,013	99,258
Auditors' remuneration - audit	4,000	4,000
Auditors' remuneration - other services	4,000	3,600
	<u>108,013</u>	<u>106,858</u>

SUMMERCROFT PRIMARY SCHOOL
(A Company Limited by Guarantee)

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

9. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,107,333	1,153,833
Social security costs	75,748	69,476
Operating costs of defined benefit pension schemes	212,993	213,246
	<u>1,396,074</u>	<u>1,436,555</u>
Supply teacher costs	359	13,272
	<u>1,396,433</u>	<u>1,449,827</u>

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

	2016 No.	2015 No.
Teachers	15	17
Administration and support	22	23
Management	3	3
	<u>40</u>	<u>43</u>

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

	2016 No.	2015 No.
In the band £ 60,001 - £ 70,000	1	1

The key management personnel of the Academy Trust comprise the Trustees and the Key Management as listed in the Trustees Report on Page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £255,031 (2015: £200,685).

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FOR THE YEAR ENDED 31 AUGUST 2016

10. TRUSTEES' REMUNERATION AND EXPENSES

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

C Hinstridge (Headteacher)

Remuneration £65,000-£70,000 (2015: £60,000-£65,000)

Employer's pension contribution paid £10,000-£15,000 (2015: £5,000-£10,000)

S Jess (Deputy Headteacher)

Remuneration £50,000-£55,000 (2015: £45,000-£50,000)

Employer's pension contribution paid £5,000-£10,000 (2015: £5,000-£10,000)

S Evans (Staff Trustee)

Remuneration £30,000-£35,000 (2015: £30,000-£35,000)

Employer's pension contribution paid £5,000-£10,000 (2015: £0-£5,000)

A Burns (Staff Trustee)

Remuneration £15,000-£20,000 (2015: £10,000-£15,000)

Employer's pension contribution paid £0-£5,000 (2015: £0-£5,000)

J Anderson (Staff Trustee)

Remuneration £15,000-£20,000

Employer's pension contribution paid £0-£5,000

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2016 was included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Long Term Leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2015	2,563,555	53,893	37,541	2,654,989
Additions	-	-	7,100	7,100
At 31 August 2016	2,563,555	53,893	44,641	2,662,089
Depreciation				
At 1 September 2015	363,212	16,956	18,996	399,164
Charge for the year	90,572	5,339	4,102	100,013
At 31 August 2016	453,784	22,295	23,098	499,177
Net book value				
At 31 August 2016	2,109,771	31,598	21,543	2,162,912
At 31 August 2015	2,200,343	36,937	18,545	2,255,825

Included within freehold property is freehold land at a cost of £692,936 which is not being depreciated.

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13. DEBTORS

	2016 £	2015 £
Trade debtors	3,587	770
VAT recoverable	12,537	2,076
Other debtors	11,572	14,525
Prepayments and accrued income	8,832	6,681
	36,528	24,052
	36,528	24,052

14. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	45,562	-
3rd party creditor: Aspects	-	31,848
Other creditors	54,726	37,610
Accruals and deferred income	85,554	80,711
	185,842	150,169
	185,842	150,169

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	80,711	36,915
Resources deferred during the year	85,554	80,711
Amounts released from previous years	(80,711)	(36,915)
	85,554	80,711
Deferred income at 31 August 2016	85,554	80,711

Resources deferred at the period end relate to contributions towards Universal Free School Meals and an overpayment of Academies Capital Maintenance Funding in 2014/15.

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15. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
Unrestricted funds	55,139	95,336	(89,241)	-	-	61,234
Restricted funds						
General Annual Grant (GAG)	-	1,613,800	(1,613,800)	-	-	-
Educational visits	-	34,443	(34,443)	-	-	-
Restricted other	-	43,012	(43,012)	-	-	-
Pupil premium	-	53,500	(53,500)	-	-	-
SEYFF	-	14,211	(14,211)	-	-	-
Other government grants	-	15,747	(15,747)	-	-	-
Pension reserve	(471,000)	-	(30,000)	-	(345,000)	(846,000)
	(471,000)	1,774,713	(1,804,713)	-	(345,000)	(846,000)
Restricted fixed asset funds						
Restricted fixed asset fund	2,255,825	-	(100,013)	7,100	-	2,162,912
DFC	-	9,048	-	(7,100)	-	1,948
CIF	-	23,430	(23,430)	-	-	-
	2,255,825	32,478	(123,443)	-	-	2,164,860
Total restricted funds	1,784,825	1,807,191	(1,928,156)	-	(345,000)	1,318,860
Total of funds	1,839,964	1,902,527	(2,017,397)	-	(345,000)	1,380,094

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

General Annual Grant (GAG)

This represents funding from the EFA to cover the costs of recurrent expenditure.

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 2015

Educational visits

This represents contributions made by parents to the running of educational visits for the pupils of the School and the associated costs of running the visits.

Special Educational Needs (SEN)

This represents allocated funding for special educational needs pupils.

Hertfordshire County Council (HCC) nursery grant

This represents funds received from the local authority to support the provision of nursery services.

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

Restricted donations

This represents funds received from various bodies for the provision of a specific purpose, with the Academy's charitable objectives.

Restricted music income

This represents funding received for the provision of music lesson to pupils.

Pupil premium

This represents funding used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other restricted

This represents other small donations from individuals and businesses for the provision of specific services associated with the furtherance of the academy trust's charitable objectives.

Other facilities income

This represents income from use of facilities, which is utilised in the upkeep and provision of these facilities.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the academy on conversion from a State Maintained School.

Restricted fixed asset funds

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose. The transfer in of £13,984 represents the costs of assets acquired in the year which have been funded by unrestricted funding

Devolved Formula Capital (DFC)

The Academy is to use the DFC allocation to maintain and improve its buildings and facilities.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
	-	-	-	-	2,255,825
Tangible fixed assets	-	-	2,162,912	2,162,912	-
Current assets	61,234	185,842	1,948	249,024	205,308
Creditors due within one year	-	(185,842)	-	(185,842)	(150,169)
Provisions for liabilities and charges	-	(846,000)	-	(846,000)	(471,000)
	<u>61,234</u>	<u>(846,000)</u>	<u>2,164,860</u>	<u>1,380,094</u>	<u>1,839,964</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(114,870)	(87,087)
Adjustment for:		
Depreciation charges	100,013	99,258
Losses on investments	(235)	(253)
(Increase)/decrease in debtors	(12,476)	174,275
Increase/(decrease) in creditors	35,673	(42,469)
Pension adjustment	30,000	23,250
	38,105	166,974
Net cash provided by operating activities	38,105	166,974

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	212,496	181,256
	212,496	181,256
Total	212,496	181,256

19. 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.

20. 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 Hertfordshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £23,178 were payable to the schemes at 31 August 2016 (2015 - £24,220) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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20. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £105,697 (2015 - £101,708).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £115,000 (2015 - £121,000), of which employer's contributions totalled £94,000 (2015 - £99,000) and employees' contributions totalled £21,000 (2015 - £22,000). The agreed contribution rates for future years are 16.8% for employers and 6.6% 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 at the balance sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	3.60 %	4.00 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %

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20. PENSION COMMITMENTS (continued)

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

	2016	2015
Retiring today		
Males	22.3	22.3
Females	24.5	24.5
Retiring in 20 years		
Males	24.3	24.3
Females	26.7	26.7

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	697,000	533,000
Bonds	310,000	232,000
Property	77,000	60,000
Cash	23,000	35,000
	<u>1,107,000</u>	<u>860,000</u>
Total market value of assets	<u>1,107,000</u>	<u>860,000</u>

The actual return on scheme assets was £114,000 (2015 - £36,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(107,000)	(112,000)
Net interest cost	(17,000)	(17,000)
	<u>(124,000)</u>	<u>(129,000)</u>
Total	<u>(124,000)</u>	<u>(129,000)</u>
Actual return on scheme assets	<u>114,000</u>	<u>36,000</u>

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

	2016 £	2015 £
Opening defined benefit obligation	1,331,000	1,151,000
Current service cost	107,000	112,000
Interest cost	51,000	45,000
Contributions by employees	21,000	22,000
Actuarial losses	455,000	10,000
Benefits paid	(12,000)	(9,000)
	<u>1,953,000</u>	<u>1,331,000</u>
Closing defined benefit obligation	<u>1,953,000</u>	<u>1,331,000</u>

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20. PENSION COMMITMENTS (continued)

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

	2016	2015
	£	£
Opening fair value of scheme assets	860,000	712,000
Interest income	34,000	28,000
Actuarial gains and (losses)	110,000	8,000
Contributions by employer	94,000	99,000
Contributions by employees	21,000	22,000
Benefits paid	(12,000)	(9,000)
	1,107,000	860,000
	1,107,000	860,000

21. OPERATING LEASE COMMITMENTS

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

	2016	2015
	£	£
Amounts payable:		
Within 1 year	773	4,869
Between 1 and 5 years	40,148	35,399
	40,921	40,268
	40,921	40,268

22. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.

23. FIRST TIME ADOPTION OF FRS 102

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

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.