

Kedington Primary Academy
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Period ended 31 May 2017

Company Registration Number:
08432234 (England and Wales)

Kedington Primary Academy 08432234

Contents	Page
Reference and Administrative Details	3
Governors' Report	4
Governance Statement	9
Statement on Regularity, Propriety and Compliance	12
Statement of Governors' Responsibilities	13
Independent Auditor's Report on the Financial Statements	14
Independent Reporting Accountant's Report on Regularity	16
Statement of Financial Activities incorporating Income & Expenditure Account	17
Balance Sheet	19
Statement of Cash Flows	20
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	21
Other Notes to the Financial Statements	25

Kedington Primary Academy 08432234

Reference and Administrative Details

Company Members

Martin Brown
Julie Jolly
Mark McGuire
Tracey Roach
Simon Shirm

Governors

* = members of the Finance and Premises committee

Karen Boxall
Martin Brown*
Julie Jolly
Mark McGuire*
Soo Miller
Zoe Palmer
Natalie Riley
Tracey Roach
Karen Sheargold*
Simon Shirm*
Michael Simpkin
Dr. Brian Watts (term of office ended 31/01/17)
Simon Wilson*
Nick Rutter (appointed 23/09/2016)

Senior Managers

- Headteacher
- Deputy Headteacher

Karen Sheargold
Soo Miller

School Business Manager

Evelyn Davies

Registered Office

Church Walk, Kedington, Suffolk
CB9 7QZ

Company Registration Number

8432234

Auditors

Larking Gowen
King Street House,
15 Upper King Street
Norwich NR3 1RB

Bankers

Lloyds TSB
Lloyds Banking Group,
Haverhill (309399) Branch,
PO Box 1000
BX1 1LT

Solicitors

Stone King
Cambridge Office
Wellington House
East Road
Cambridge CB1 1BH

Kedington Primary Academy 08432234

Governors' Report

The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period of 1st September 2016 to 31st May 2017.

The financial statements have been prepared in accordance with the accounting policies on pages 20 to 23 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015).

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

Details of the governors (who are also the directors of the charitable company for the purposes of Company Law) who served throughout the period except as noted are included in the Reference and Administrative Details on page 3.

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.

Governors' Indemnities

There were no provisions required for third party indemnity.

Principal Activities

The principal activity of the academy is to provide an all-around high quality education for our children as set out in our articles. Further information can be found under objects and activities.

Method of Recruitment and Appointment or Election of Governors

The management of the company is the responsibility of the governors who are appointed under the terms of the Articles of Association. Members may appoint up to 6 governors, subject to the terms of the Articles of Association. Parent Governors shall be elected by parents of registered pupils at the Academy.

Governors are subject to retirement after a term of 4 years. After the term they are eligible for re-election at the meeting at which they retire.

All new governors will be given a tour of the Academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only one or two new governors a year, induction tends to be done informally and is tailored specifically to the individual.

Policies and Procedures Adopted for the Induction and Training of Governors

During the period under review, the governors held 5 meetings. Governors undertake a 'How do I start' induction through governor services (Schools' Choice) they have a tour of the academy with the Headteacher and are encouraged to attend relevant governor training via Schools' Choice, particularly in areas that they may be a sub committee member. The academy has undertaken a skills audit of the Governing Body.

Organisational Structure

The management structure consists of three levels: the Governors, Governing Body Committees and the Senior Leadership Team.

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

Committees of the Governing body have delegated responsibilities. The committees that exist are: Steering Committee, Curriculum Committee, Personnel Committee, Finance and Premises Committee, Hearings Committee, Appeals Committee and Pupil Discipline Committee as well as a Headteacher's Performance Management Review Group.

Kedington Primary Academy 08432234

Governors' Report (continued)

The Senior Leadership team consists of the Headteacher, Deputy Headteacher, the Maths leader (from Summer 2017) the Literacy leader (until December 2016) and the Business Manager. These managers control the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. The Headteacher is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The academy annually review their pay policy which is applied to the pay of all staff employed to work at Kedington Primary Academy, excluding any staff whose pay is not determined by the Governing Body. The policy sets out the framework for making decisions on staff pay. It has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD) and has been consulted on with staff and the recognised trade unions.

For all staff, pay progression will be clearly attributable to the individual's performance and the Personnel Committee will be able to objectively justify its decisions. Assessment will be based on evidence from a range of sources, as described in the Academy's Appraisal Policy.

The Governing Body will fulfil its obligations under:

for teachers:

- the Academy Teachers' Pay and Conditions Document (the Document);
- the Conditions of Service for Academy Teachers in England and Wales (Burgundy Book);
- Pay and Grading – Teachers Guidance note.

for support staff:

- the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service (Green Book);
- Pay and Grading of Support Staff Guidance note.

The headteacher undertakes an annual performance review with an external adviser in attendance to offer advice and to ensure best practice and transparency.

Risk Management

The governors 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. The governors have implemented a number of systems to assess risks that the academy faces, especially in the operational areas in relation to teaching, health and safety, school trips and in relation to the control of finance. 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 Statement of Internal Control.

To provide an internal audit function, the governors have procured the Internal Audit Service from Schools' Choice. On a termly basis, Schools' Choice undertake an independent review of the financial systems and provide a written report providing feedback on how the academy's financial affairs are being discharged. The school business manager presents this report back to the Finance and Premises committee, with outcomes being shared at full governing body meetings. The report includes action points identifying any areas for improvement.

This provides the Governing body with assurance that:-

- the financial responsibilities of the governing body are being properly discharged;
- resources are being managed in an efficient, economical and effective manner;
- sound systems of internal financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Connected Organisations, including Related Party Relationships

The academy is part of the Samuel Ward Schools Partnership, a cluster of feeder primary schools whose children transfer to Samuel Ward Academy. The academy works closely with these schools to ensure that transition to secondary school is as smooth as possible and that joint curricular projects are carried out to the benefit of all involved.

Kedington Primary Academy 08432234

Governors' Report (continued)

Objectives and Activities

Objects and Aims

The principal objects of the Academy Trust are:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum
- to promote for the benefit of the inhabitants of Kedington and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

It achieves these objects through the trust, providing a state education, free of charge. It promotes for the benefit of the inhabitants of Kedington and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities such as the Scouting and Guiding Associations.

The Academy's main objectives are encompassed in its mission statement, 'Appreciating what we have...Aspiring to greater things'. The academy development plan for the period ending was under four key headings and will complete its cycle at the end of the academic year.

Priority 1 : Developing outstanding outcomes for pupils by raising attainment and accelerating progress. Assessment, tracking and target setting to be further enhanced to improve outcomes for all children. Further raise achievement in reading and writing through rigorous tracking and interventions, engaging new teaching methods and learning opportunities

Priority 2 : To develop outstanding teaching, learning and assessment. Teachers to demonstrate a deep knowledge and understanding of the subjects they teach. Teachers provide children with incisive feedback on how to improve their knowledge, understanding and skills. Children use this feedback effectively.

Priority 3 : To create an environment with outstanding personal development, welfare and behaviour. To deliver high quality lessons and information sessions on online safety and road safety, keeping the profile high with children and parents throughout the year. To promote the Academy ethos to look after the environment and promote sustainability

Priority 4 : Effectiveness of Leadership & Management: Build leadership capacity at all levels, including governance, so that leaders can deliver, monitor and evaluate high quality provision that allows all pupils to excel. Leaders and governors focus on consistently improving outcomes for all children, including those with SEN

Public Benefit

The Academy's aims and achievements are set out within. The activities set out in this report have been undertaken to further the Academy's charitable purposes for the public benefit. The governors have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the governors have paid due regard to this guidance in deciding what activities the Academy should undertake.

Kedington Primary Academy continues to be a full and popular academy and has again had to decline admissions for several families.

Strategic report

This report covers the short period of September 2016 to May 2017. The focus for this period was to ensure the smooth transition of the Trust's academy to the Samuel Ward Academy Trust. In accordance with the requirements of the Regional Schools Commissioner. As such, there are no key results to consider for the period. However, it is worth noting that the Trust was successful in supporting the academy throughout the period.

Key Financial Performance Indicators

Kedington Primary Academy converted to Academy status on 1st April, 2013, as a school rated "outstanding" by OFSTED in October 2011.

The total number of students on role in the period ended 31st May 2017 numbered 208.

Going Concern

The Board transferred Kedington Primary Academy, including all assets, liabilities and operations, to the Samuel Ward Academy Trust on 1 June 2017, for £nil consideration. The Single Academy Trust will be dissolved once arrangements have been completed for the smooth wind-up of the company. For this reason, the financial statements for the period of 1 September 2016 to 31 May 2017 are prepared on the non-going concern basis. Further details are included in notes 1 and 25 of the financial statements.

Kedington Primary Academy 08432234

Governors' Report (continued)

Further details are included in note 1 of the financial statements.

Financial Review

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. These grants received from ESFA during the period ended 31st May 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy has also been in receipt of capital grants from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and 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.

During the period ended 31st May 2017 total expenditure of £763,545 was covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding the restricted fixed asset funds and pension reserve) was £28,850.

On 1 June 2017 all assets and liabilities were transferred to Samuel Ward Academy Trust for £nil consideration. From that date the company had no funds.

Financial and Risk Management Objectives and Policies

The academy is subject to a number of risks and uncertainties in common with other academies. The academy has in place procedures to identify and mitigate risks. These are discussed further in the risk management section of this report on page 5 and in the Statement on Internal Control.

Reserves Policy

Prior to the transfer to the Samuel Ward Academy Trust, the academy held fund balances at 31st May 2017 of £2,634,907 comprising restricted funds, of which £2,693,782 relates to the restricted fixed asset fund, £28,982 unrestricted funds and a pension reserve deficit of £118,000. The governors review the reserve levels of the academy annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

It is the aim of the governors of the academy to show a level of prudence and good financial planning to cover the unexpected and unplanned so that the academy's primary object is preserved under unforeseen circumstances. As such the governors consider it prudent to hold useable reserves of approximately £40,000, equivalent to one month payroll cost at the current time. For the purposes of this policy reserves are considered unrestricted funds and restricted general funds (excluding the pension reserve). At 31st May 2017, prior to transfer, the academy had reserves of £59,125.

Investment Policy

At 31st May 2017 the academy held surplus funds in its current account.

Principal Risks and Uncertainties

As an academy school, the level of financial risk is based around changes in the level of funding from the ESFA. In addition, the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a deficit on the academy balance sheet.

Plans for Future Periods

The academy trust ceased to operate when it joined the Samuel Ward Trust on 1 June 2017. From that date the trust has been dormant and has no assets and liabilities. The Governors plan to dissolve the company.

Funds held as Custodian Trustee on behalf of others

The academy does not hold any funds as a custodian Trustee.

Auditor

In so far as the governors are aware:

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

Kedington Primary Academy 08432234

Governors' Report (continued)

- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The auditors, Larking Gowen, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Approved by order of the members of the Governing Body on 14 December 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M B', followed by a long horizontal flourish.

Martin Brown
Chair of Governors

Kedington Primary Academy 08432234

Governance Statement

Scope of Responsibility

As governors we acknowledge we have overall responsibility for ensuring that Kedington Primary Academy 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 governors 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 Kedington Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities.

The Full Governing Body has met five times during the period. Attendance at the full governing body meetings was as follows:

Governor	Meetings attended	Out of a possible
Simon Shirm	5	5
Simon Wilson	3	5
Brian Watts (term of office ended 31/01/17)	2	2
Tracey Roach	1	5
Julie Jolly	4	5
Zoe Palmer	2	5
Karen Boxall	4	5
Michael Simpkin	2	5
Mark McGuire	4	5
Karen Sheargold	5	5
Natalie Riley	0	5
Martin Brown	5	5
Soo Miller	4	5
Nick Rutter (appointed 23/09/16)	3	5

No particular challenge has arisen for the board during the period. Mrs Karen Boxall and Mr Mark McGuire renewed their posts as parent governors for a further four years.

The Finance and Premises committee is a sub-committee of the main board of governors. Its purpose is to oversee budget planning, consider recommendations to changes on key finance and premises policies, and to oversee arrangements for, and make recommendations about premises related expenditure.

Attendance at the meeting during the period was as follows:

Governor	Meetings attended	Out of a possible
Simon Shirm	5	5
Mark McGuire	4	5
Simon Wilson	3	5
Martin Brown	5	5
Karen Sheargold	5	5
Evelyn Davies (associate member)	4	5

Kedington Primary Academy 08432234

Governance Statement (continued)

Review of Value for Money

I accept that as Accounting Officer of Kedington Primary Academy I am responsible and accountable for ensuring that the academy trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education and Skills Funding Agency and understand that value for money refers to the educational and wider social outcomes achieved in return for the taxpayers resources received.

I set out below how I have ensured that the academy trust's use of its resources has provided good value for money during the academy financial period ending May 2017.

Children – Improving outcomes

- Develop outstanding outcomes for pupils by raising attainment and accelerating progress
- Staff equipped to deliver outstanding teaching, learning and assessment.
- Develop Early Years and Key Stage 1 Outdoor Area to allow the children the opportunity to learn independently outside engaging them physically, cognitively, socially and emotionally

Finance & Governance

- Develop and build leadership capacity at all levels, including governance, so that leaders can deliver, monitor and evaluate high quality provision that allows all pupils to excel.
- Recycling is a focus for children as well as for the finance of our academy, this focus will promote the academy ethos to look after the environment and promote sustainability. Our catering contract will be assessed for value for money as well as addressing the waste.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The board of governors annually commissions a termly internal audit with the results being shared with the School Business Manager and the Headteacher, resulting recommendations are taken to the governors finance and premises committee.

Review of Effectiveness

As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

Kedington Primary Academy 08432234

Governance Statement (continued)

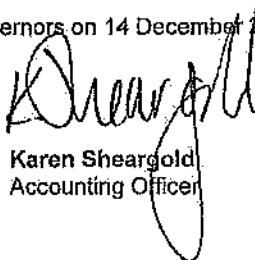
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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 Premises committee and a plan to address the weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the member of the board of governors on 14 December 2017 and signed on its behalf by:



Martin Brown
Chair of Governors



Karen Sheargold
Accounting Officer

Kedington Primary Academy 08432234

Statement of Regularity, Propriety and Compliance

As accounting officer of Kedington Primary Academy I have considered my responsibility to notify the academy trust board of governors and the Education and Skills Funding Agency (the 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. As part of my consideration I have had due regard to the requirements of the Financial Academies Handbook.

I confirm that I and the academy trust board of governors 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.

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 governors and ESFA.



Karen Sheargold
Accounting Officer

14 December 2017

Kedington Primary Academy 08432234

Statement of Governors' Responsibilities

The governors of Kedington Primary Academy (who act as governors of Kedington Primary Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare the financial statements for each financial year. Under company law, the governors 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 governors are required to:

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

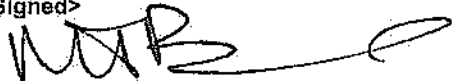
The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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 governors 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 governors 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 order of the members of the board of governors on 14 December 2017 and signed on its behalf by:

<Signed>



Martin Brown
Chair of Governors

Independent Auditor's Report to the members of Kedington Primary Academy**Opinion**

We have audited the financial statements of Kedington Primary Academy for the period ended 31 May 2017 which comprise the Statement of Financial Activities, 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", the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education Funding Agency.

This report is made solely to the academy trust'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 trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust 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 trust's affairs as at 31 May 2017, and of its incoming resources and application of resources, including its income and expenditure, for the period 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 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern - Basis other than going concern

As described in note 1 the governors have prepared the financial statements on a basis other than going concern. The academy trust ceased operating on 31 May 2017 and all assets, liabilities and operations transferred to Samuel Ward Academy Trust for Enil consideration. Following the transfer it is the intention of the governors to dissolve the company. In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements. We have nothing further to report in regards this.

Other information

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

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 matter 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 Governors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report and Strategic Report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the members of Kedington Primary Academy (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report and 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of governors

As explained more fully in the Statement of Governors' Responsibilities set out on page 13 the governors (who are also the directors of the academy trust 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 governors 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 governors are responsible for assessing the company'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 governors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Larking Gowen

Christopher Yeates ACA, DChA, Senior Statutory Auditor
For and on behalf of
Larking Gowen
Statutory Auditors
Norwich

15 December 2017

Independent Reporting Auditor's Assurance Report on Regularity to Kedington Primary Academy and the Education Funding Agency

In accordance with the terms of our engagement letter dated 21 September 2015 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 Kedington Primary Academy during the period 1 September 2016 to 31 May 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 Kedington Primary Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Kedington Primary Academy 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 the Kedington Primary Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Kedington Primary Academy Trust's accounting officer and the reporting accountant
The accounting officer is responsible, under the requirements of Kedington Primary Academy's funding agreement with the Secretary of State for Education dated 27 March 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 period 1 September 2016 to 31 May 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2016 to 2017. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the academy's Governors.
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks.

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 period 1 September 2016 to 31 May 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Larking Gowen

Larking Gowen
Statutory Auditors
Norwich

15 December 2017

Kedington Primary Academy 08432234

**Statement of Financial Activities for the period ended 31 May 2017
(including Income and Expenditure Account)**

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	2	2,915	-	-	2,915	11,629
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	3	33,266	631,092	-	664,358	869,045
Other trading activities	4	13,208	-	-	13,208	25,524
Investments	5	84	-	-	84	226
Total income and endowments		49,473	631,092	-	680,565	906,424
Expenditure on:						
Raising Funds	6	164	-	-	164	1,268
<i>Charitable activities:</i>						
Academy trust educational operations	6,7	65,180	630,371	67,830	763,381	1,044,148
Transfer of assets to another academy trust	25	28,982	(87,857)	2,693,782	2,634,907	-
Total expenditure		94,326	542,514	2,761,612	3,398,452	1,045,416
Net income / (expenditure)		(44,853)	88,578	(2,761,612)	(2,717,887)	(138,992)
Transfers between funds	15	(19,765)	(19,119)	38,884	-	-
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	15, 21	-	75,000	-	75,000	(73,000)
Net movement in funds		(64,618)	144,459	(2,722,728)	(2,642,887)	(211,992)
Reconciliation of funds						
Total funds brought forward at 1 September 2016	15	64,618	(144,459)	2,722,728	2,642,887	2,854,879
Funds carried forward at 31 May 2017		-	-	-	-	2,642,887

All the trust's activities derive from discontinued operations following the management of the academy transferring to another trust with effect from 1 June 2017 (see note 23 for further details).

Kedington Primary Academy 08432234

Statement of Financial Activities for the period ended 31 August 2016
(Including Income and Expenditure Account)

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £
Income and endowments from:				
Donations and capital grants	5,345	-	6,284	11,629
<i>Charitable activities:</i>				
Funding for the academy trust's educational operations	35,184	833,861	-	869,045
Other trading activities	25,524	-	-	25,524
Investments	226	-	-	226
Total income and endowments	66,279	833,861	6,284	906,424
Expenditure on:				
Raising Funds	1,268	-	-	1,268
<i>Charitable activities:</i>				
Academy trust educational operations	38,708	919,583	85,857	1,044,148
Total expenditure	39,976	919,583	85,857	1,045,416
Net Income / (expenditure)	26,303	(85,722)	(79,573)	(138,992)
Transfers between funds	-	(48,131)	48,131	-
Other recognised gains / (losses):				
Actuarial (losses) / gains on defined benefit pension schemes	-	(73,000)	-	(73,000)
Net movement in funds	26,303	(206,853)	(31,442)	(211,992)
Reconciliation of funds				
Total funds brought forward at 1 September 2015	38,315	62,394	2,754,170	2,854,879
Funds carried forward at 31 August 2016	64,618	(144,459)	2,722,728	2,642,887

Kedington Primary Academy 08432234

Balance Sheet as at 31 May 2017

	Notes	2017 £	2016 £
Fixed Assets			
Tangible assets	11	-	2,709,626
		-	2,709,626
Current assets			
Stock	12	-	840
Debtors	13	-	27,645
Cash at bank and in hand		-	136,473
		-	164,958
Liabilities			
Creditors: Amounts falling due within one year	14	-	(58,697)
Net current assets		-	106,261
Total assets less current liabilities		-	2,815,887
Net assets excluding pension liability		-	2,815,887
Defined benefit pension scheme liability	21	-	(173,000)
Total net assets		-	2,642,887
Funds of the academy trust:			
Restricted funds			
- Fixed asset fund	15	-	2,722,728
- Restricted income fund	15	-	28,541
- Pension reserve	15	-	(173,000)
Total restricted funds		-	2,578,269
Unrestricted income funds	15	-	64,618
Total unrestricted funds		-	64,618
Total funds		-	2,642,887

The financial statements on pages 17 to 38 were approved by the governors, and authorised for issue on 14 December 2017 and are signed on their behalf by:



Martin Brown
Chair of Governors

Kedington Primary Academy 08432234

Statement of Cash Flows for the period ended 31 May 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	17	(93,883)	(58,387)
Cash flows from investing activities			
	18	(42,590)	(45,481)
Change in cash and cash equivalents in the reporting period		<u>(136,473)</u>	<u>(103,868)</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 01 September 2016	19	136,473	240,341
Cash and cash equivalents at 31 May 2017		<u>-</u>	<u>136,473</u>

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period ended 31 May 2017

1. Statement of Accounting Policies

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

Basis of Preparation and Going Concern

The financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Kedington Primary Academy meets the definition of a public benefit entity under FRS 102.

The Board of Directors have been working with the Samuel Ward Academy Trust to transfer the academy and all staff to their Trust on 1 June 2017. All assets, liabilities and operations of the Trust were transferred to Samuel Ward Academy Trust for Enil consideration. From 1 June 2017 Kedington Primary Academy (Trust) ceased operating. Following the completion of the transfer, the Trust's Governors intend to dissolve the company. For this reason, the financial statements have been prepared on a basis other than going concern.

The agreement to transfer all the assets and liabilities for Enil consideration to Samuel Ward Academy Trust was entered into on 31 May 2017 with the transfer occurring on 1 June 2017. To reflect that the assets and liabilities were not under the control of the trust beyond 31 May 2017 the transfer is recognised in the Statement of Financial Activity as 'expenditure on charitable activity' at their book value transferred out. As a result the balance sheet reflects no assets or liabilities as at 31 May 2017.

Income

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

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Capital Grants are recognised 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**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance related conditions) where the receipt is probable and the amount can be measured reliably.

- **Donations**

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

- **Other income**

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

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations

Kedington Primary Academy 08432234

Notes to the Financial Statements for the period Ended 31 May 2017

1. Statement of Accounting Policies (continued)

and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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 are attributable to a single activity and are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on Raising Funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line over its expected useful lives, as follows:

• Land and Buildings	2%
• Furniture and equipment	20-25%
• Computer equipment	33%

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

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

Liabilities

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

Provisions

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

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

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017

1. Statement of Accounting Policies (continued)

Leased Assets

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

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the academy trust 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 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14. 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 instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Stock

Unsold uniform and fuel are valued at the lower of cost or net realisable value.

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 21, the TPS is a multi employer scheme and there is insufficient information available to use the 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 asset/liability is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on scheme assets and the actual return on scheme assets is recognised in other recognised gains and losses.

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

Fund Accounting

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

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

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017

1. Statement of Accounting Policies (continued)

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

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 includes the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 May 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact the carrying amount of the pension liability.

Agency Arrangements

There are no Agency Arrangements.

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017 (continued)

2 Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Capital grants				
Devolved Formula Capital	-	-	-	6,284
Other donations	2,915	-	2,915	5,345
	<u>2,915</u>	<u>-</u>	<u>2,915</u>	<u>11,629</u>

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE/ESFA Revenue Grants				
General Annual Grant	-	544,238	544,238	717,552
Other DfE/ESFA Grants	-	-	-	3,112
Pupil Premium	-	5,940	5,940	8,597
Universal Infant Free School Meals	-	25,860	25,860	33,430
PE Grant	-	8,890	8,890	8,875
Other DfE/EFSA funding	-	579	579	-
	-	<u>585,507</u>	<u>585,507</u>	<u>771,566</u>
Other Government Grants				
High Tariff Needs SEN	-	5,332	5,332	16,000
Raising the Bar Grant	-	913	913	-
Section 106 Funding	-	39,340	39,340	46,295
	-	<u>45,585</u>	<u>45,585</u>	<u>62,295</u>
Other income from the academy trust's educational operations				
Academy Trips	10,983	-	10,983	13,728
Catering Income	22,283	-	22,283	21,456
	<u>33,266</u>	<u>631,092</u>	<u>664,358</u>	<u>869,045</u>

4 Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Hire of Facilities	540	-	540	655
Items Sold	199	-	199	318
Insurance Claims	1,946	-	1,946	12,760
Other Catering Income	55	-	55	1,152
Fundraising	925	-	925	92
Income from Services Provided	2,191	-	2,191	4,619
Swimming	4,438	-	4,438	4,438
Training	342	-	342	342
Moderation	1,148	-	1,148	1,148
After school club	1,424	-	1,424	-
	<u>13,208</u>	<u>-</u>	<u>13,208</u>	<u>25,524</u>

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017 (continued)

5 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Bank Interest	84	-	84	226
	<u>84</u>	<u>-</u>	<u>84</u>	<u>226</u>

6 Expenditure

	Non Pay Expenditure			Total 2017	Total 2016
	Staff Costs	Premises	Other		
	£	£	£	£	£
Expenditure on raising funds	-	-	164	164	1,268
Academy's educational operations					
• Direct Costs	425,279	67,830	71,427	564,536	689,717
• Direct Costs - transfer out of academy trust	-	-	2,634,907	2,634,907	-
• Allocated Support Costs	59,106	42,812	96,927	198,845	354,431
	<u>484,385</u>	<u>110,642</u>	<u>2,803,425</u>	<u>3,398,452</u>	<u>1,045,416</u>

Net Income/(expenditure) for the period includes:

	2017	2016
	£	£
Operating lease rentals	-	85,857
Depreciation	67,830	-
Fees payable to auditor for:		
- audit	7,150	3,250
- other services	1,500	400
	<u>76,480</u>	<u>89,507</u>

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017 (continued)

7 Charitable Activities

	Total 2017 £	Total 2016 £
Direct costs - educational operations	564,536	689,717
Direct costs - transfer out of academy trust	2,634,907	-
Support costs - educational operations	198,845	354,431
	<u>3,398,288</u>	<u>1,044,148</u>

	Educational Operations £	Total 2017 £	Total 2016 £
Analysis of support costs			
Support staff costs	59,106	59,106	79,203
Technology costs	286	286	147
Premises costs	42,812	42,812	179,072
Other support costs	83,947	83,947	90,588
Governance costs	12,694	12,694	5,421
		<u>12,694</u>	<u>5,421</u>

8 Staff

	Total 2017 £	Total 2016 £
a. Staff costs		
Staff costs during the period were:		
Wages and salaries	369,452	485,789
Social security costs	28,797	27,040
Operating costs of defined benefit pension schemes	85,062	92,534
	<u>483,311</u>	<u>605,363</u>
Supply staff costs	1,074	2,239
	<u>484,385</u>	<u>607,602</u>

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017 (continued)**8 Staff Costs (continued)****b. Staff numbers**

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

	2017	2016
	No.	No.
Teachers	11	10
Administration and support	24	24
Management	2	2
	37	36

c. Higher paid staff

There was no employee with emoluments above £60,000 during the period to 31 May 2017 (2016: none).

d. Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed 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 £142,066 (2016: £201,607)

9 Related Party Transactions - Trustees' Remuneration and Expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of governors' remuneration was as follows:

K Sheargold (Headteacher and Governor):

Remuneration £40,000 - £45,000 (2016: £50,000 - £55,000)
Employers pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

N Riley (staff Governor):

Remuneration £10,000 - £15,000 (2016: £10,000 - £15,000)
Employers pension contributions £nil - £5,000 (2016: £nil - £5,000)

S Miller (staff Governor):

Remuneration £30,000 - £35,000 (2016: £40,000 - £45,000)
Employers pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

During the period ended 31 May 2017, travel and subsistence expenses totalling £408 (2016: £24) were reimbursed or paid directly to three governors (2016: one).

Other related party transactions involving the governors are set out in note 22.

10 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 Governors 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 Governors and Officers indemnity element from the overall cost of the RPA scheme.

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017 (continued)

11 Tangible Fixed Assets

	Leasehold Land and Buildings £	Computer Hardware £	Furniture and Equipment £	Total £
Cost				
At 1 September 2016	2,809,752	65,582	88,233	2,963,567
Additions	-	-	42,674	42,674
Transfer out of academy trust	(2,809,752)	(65,582)	(130,907)	(3,006,241)
At 31 May 2017	-	-	-	-
Depreciation				
At 1 September 2016	189,136	25,435	39,370	253,941
Charged in period	42,146	12,696	12,988	67,830
Transfer out of academy trust	(231,282)	(38,131)	(52,358)	(321,771)
At 31 May 2017	-	-	-	-
Net Book Values				
At 31 August 2016	2,620,616	40,147	48,863	2,709,626
At 31 May 2017	-	-	-	-

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017 (continued)

12 Stock

	2017	2016
	£	£
Uniform	-	240
Fuel	-	600
	<u>-</u>	<u>840</u>

13 Debtors

	2017	2016
	£	£
Trade debtors	-	1,911
VAT recoverable	-	7,330
Other debtors	-	7,479
Prepayments and accrued income	-	10,925
	<u>-</u>	<u>27,645</u>

14 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	-	13,265
Taxation and social security	-	9,285
Other creditors	-	10,050
Accruals and deferred income	-	26,097
	<u>-</u>	<u>58,697</u>

Deferred Income

	2017	2016
	£	£
Deferred Income at 1 September 2016	21,769	29,299
Released from previous years	(21,769)	(29,299)
Resources deferred in the year	-	21,769
Deferred Income at 31 May 2017	<u>-</u>	<u>21,769</u>

At the balance sheet date the academy trust was holding funds received in advance for school trips.

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017 (continued)

15 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	transfers £	Gains / (Losses) £	Balance at 31 May 2017 £
Restricted general funds						
General Annual Grant (GAG)	3,989	544,238	(543,992)	(4,235)	-	-
Pupil Premium	-	5,940	(5,940)	-	-	-
Other ESFA/DfE Grants	12,574	34,751	(47,325)	-	-	-
Condition Improvement Fund	11,978	-	(11,978)	-	-	-
Section 106 Funding	-	39,340	(456)	(38,884)	-	-
Other Restricted Funds	-	6,823	(6,823)	-	-	-
Pension reserve	(173,000)	-	74,000	24,000	75,000	-
	(144,459)	631,092	(542,514)	(19,119)	75,000	-
Restricted fixed asset funds						
DfE/ESFA Capital Grants	143,831	-	(143,831)	-	-	-
Capital expenditure from GAG	(5,849)	-	5,849	-	-	-
Donated Assets	2,543,939	-	(2,543,939)	-	-	-
Other Capital Income	40,807	-	(79,691)	38,884	-	-
	2,722,728	-	(2,761,612)	38,884	-	-
Total restricted funds	2,578,269	631,092	(3,304,126)	19,765	75,000	-
Unrestricted funds						
Unrestricted funds	64,618	49,473	(94,326)	(19,765)	-	-
Total unrestricted funds	64,618	49,473	(94,326)	(19,765)	-	-
Total funds	2,642,887	680,565	(3,398,452)	-	75,000	-

On 31 May 2017 the assets and liabilities of the academy trust were transferred to the Samuel Ward Academy Trust for nil consideration. See note 25 for further details.

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

The General Annual Grant (GAG) and other restricted funds are for the operational activities of the school.

Unspent ESFA Grant of £22,092 includes £7,629 PE Grant, £5,816 Universal Infant Free School Meal grant, £8,647 Condition Improvement Fund Grant.

The pension reserve represents the academy's defined benefit pension scheme liability.

The restricted fixed asset funds represents the net book value of the fixed assets held by the academy and unspent capital funding received to carry out works of a capital nature.

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

The academy is carrying a net surplus of £30,143 on restricted general funds and £28,982 unrestricted funds.

Fund transfers of £38,884 were made from restricted general funds to the restricted fixed asset funds for the purpose of fixed assets. Transfers of £24,000 were made from GAG to the pension reserve fund in respect of employers' contributions. Transfers of £19,765 were made from unrestricted fund to GAG.

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017 (continued)**16 Analysis of Net Assets between Funds**

Fund balances at 31 May 2017 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds 2017 £
Tangible Fixed assets	-	-	-	-
Current assets	-	-	-	-
Current liabilities	-	-	-	-
Pension scheme liability	-	-	-	-
Total net assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

17 Reconciliation of Net Income/(Expenditure) to Net Cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the year (as per the statement of financial activities)	(2,717,887)	(138,992)
Adjusted for:		
Depreciation (note 11)	67,830	85,857
Capital grants from DfE and other capital income	-	(6,284)
Interest receivable (note 4)	(84)	(226)
Defined benefit pension scheme cost less contributions payable (note 21)	17,000	8,000
Defined benefit pension scheme finance cost (note 21)	3,000	4,000
(Increase)/decrease in stocks	840	25
(Increase)/decrease in debtors	27,645	(3,860)
Increase/(decrease) in creditors	(58,697)	(6,907)
Transfer Fixed Asset fund out of Trust	2,684,470	-
Transfer Pension deficit out of Trust	(118,000)	-
Net cash provided by / (used in) Operating Activities	<u>(93,883)</u>	<u>(58,387)</u>

18. Cash Flows from Investing Activities

	2017 £	2016 £
Dividends, interest and rents from investments	84	226
Purchase of tangible fixed assets	(42,674)	(51,991)
Capital grants from DfE / ESFA	-	6,284
Net cash provided by / (used in) investing activities	<u>(42,590)</u>	<u>(45,481)</u>

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017 (continued)**19 Analysis of Cash and Cash Equivalents**

	At 1 September 2016	Cash flows	At 31 August 2017
	£	£	£
Cash in hand and at bank	136,473	(136,473)	-
Total cash and cash equivalents	<u>136,473</u>	<u>(136,473)</u>	<u>-</u>

20 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 £10 for the debts and liabilities contracted before he/she ceases to be a member.

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017 (continued)

21 Pension and Similar Obligations

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

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

Contributions amounting to £10,582 (2016: £10,025) were payable to the schemes at 31 May 2017.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Gap) 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 on 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Gap) 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 gap 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 2.0% 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 £43,738 (2016: £43,908).

A copy of the valuation report and supporting documentation is on the [Teachers' Pension website](#)

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.

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017 (continued)**21 Pension and Similar Obligations (continued)****Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 May 2017 was £30,000 (2016: £38,000), of which employer's contributions totalled £24,000 (2016: £30,000) and employees' contributions totalled £6,000 (2016: £7,000). The agreed contribution rates for future years are 24.10% for employers and a variable % for employees dependant on the salary of individuals as follows:

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

	<i>At 31 May 2017</i>	<i>At 31 August 2016</i>
	<i>p.a.</i>	<i>p.a.</i>
Rate of increase in salaries	2.80%	4.10%
Rate of increase for pensions in payment/inflation	2.50%	2.10%
Discount rate for scheme liabilities	2.60%	2.10%
Inflation assumption (CPI)	2.10%	2.10%
Commutation of pensions to lump sums	63.00%	63.00%

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

	<i>At 31 May 2017</i>	<i>At 31 August 2016</i>
<i>Retiring today</i>		
Males	21.9	22.4
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	23.9	24.3
Females	26.4	26.9

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017 (continued)

21 Pension and Similar Obligations (continued)

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

	Fair value at 31 May 2017 £	Fair value at 31 August 2016 £
Equities	-	165,600
Corporate bonds	-	48,000
Property	-	24,000
Cash and other liquid assets	-	2,400
Total market value of assets	-	240,000

The actual return on scheme assets was £13,000 (2016: £33,000).

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	(41,000)	(38,000)
Interest income	4,000	7,000
Interest cost	(7,000)	(11,000)
Total amount recognised in the SOFA	(44,000)	(42,000)

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

	2017 £	2016 £
At 1 September	413,000	258,000
Current service cost	41,000	38,000
Interest cost	7,000	11,000
Employee contributions	6,000	7,000
Actuarial (gain)/loss	-	99,000
Benefits paid	(1,000)	-
Remeasurements recognised in Other Comprehensive Income (OCI)	(66,000)	-
Transfer out on academy leaving the trust	(400,000)	-
At 31 May	-	413,000

Kedington Primary Academy 08432234

Notes to the Financial Statements for the Period Ended 31 May 2017 (continued)**Changes in the fair value of academy's share of scheme assets:**

	2017	2016
	£	£
At 1 September	240,000	170,000
Interest income	4,000	7,000
Actuarial gain/(loss)	-	26,000
Employer contributions	24,000	30,000
Employee contributions	6,000	7,000
Benefits paid	(1,000)	-
Remeasurements recognised in Other Comprehensive Income (OCI)	9,000	-
Transfer out on academy leaving the trust	(282,000)	-
At 31 May	<u>-</u>	<u>240,000</u>

On 1 June, the scheme net liability was transferred to the Samuel Ward Academy Trust.

22 Related Party Transactions

Owing to the nature of the academy trust's operations and the composition of the board of governors 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 trust's financial regulations and normal procurement procedures.

J Boxall, the husband of K Boxall (a Parent Governor) was employed during the year as an administrator. The appointment was approved by the Governors and K Boxall neither participated in, nor influenced, the appointment process, which was conducted in accordance with the school's usual procedures. J Boxall received a remuneration package in line with the standard payscale for the role and the employment contract is subject to normal terms and conditions.

No other related party transaction took place in the period of account, other than certain governors' remuneration and expenses already disclosed in note 9.

23 Events after the end of the reporting period

On 1 June 2017 the operation of the single academy trust's school and all the assets and liabilities were transferred to Samuel Ward Academy Trust for £nil consideration. From that date the trust no longer operated and it is the directors' intention to dissolve the single academy trust.

24 Agency Arrangements

There are no agency arrangements.

Kedington Primary Academy 08432234

25 Transfer out on academies leaving the Trust

The following assets and liabilities relating to Kedington Primary Academy have been transferred to Samuel Ward Academy Trust:

	Transfer out on academies leaving the trust £
Tangible fixed assets	
Leasehold land and buildings	2,578,470
Furniture and equipment	78,549
Computer equipment	27,451
Other assets	
Stock	1,338
Debtors due in less than one year	32,396
Cash in bank and in hand	84,475
Liabilities	
Creditors due in less than one year	(49,772)
Pensions	
Pensions - pension scheme liabilities	(118,000)
Net assets / (liabilities)	<u>2,634,907</u>