

MID ESSEX ANGLICAN ACADEMY TRUST

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

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

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 12
Governance statement	13 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditors' report on the financial statements	18 - 19
Independent auditors' assurance report on regularity	20 - 21
Statement of financial activities incorporating income and expenditure account	22
Balance sheet	23
Statement of cash flows	24
Notes to the financial statements	25 - 44

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

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

Members

A Barton, Chair of Trustees
Reverend T Elbourne, The Chelmsford Diocese Educational Trust
E Grimble, The Parochial Church Council of the Ecclesiastical Parish of St Mary's Shenfield
Reverend D Thomas, Incumbent (resigned 30 April 2016)

Trustees

A Barton, Chairman¹
S Bluett (resigned 4 January 2016)²
D Bryant¹
D Churchill²
B Debenham¹
L Judd, Staff Trustee
C Lee²
A Mauger¹
G Nott (appointed 11 July 2016)²
T O'Hara²
R Patel²
A Plumstead, Staff Trustee²
S Taggart, Head Teacher and Accounting Officer^{1,2}
Rev. D Thomas (resigned 30 April 2016)²

¹ Member of the Resources committee

² Member of the Pupil committee

Company registered number

08524638

Company name

Mid Essex Anglican Academy Trust

Principal and registered office

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

Accounting Officer

S Taggart

Senior management team

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

Independent auditors

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

Bankers

Lloyds Bank, BX1 1LT

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

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016

Advisers (continued)

Solicitors

Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster, London, SW1P 3JT

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

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 the charitable company for the year 1 September 2015 to 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 for pupils aged 4 to 11 serving a catchment area in Shenfield, Essex. It has a pupil capacity of 420 and had a roll of 419 in the school census in May 2016.

Structure, governance and management

a. CONSTITUTION

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

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

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

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

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

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

b. MEMBERS' LIABILITY

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

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

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

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

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

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

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

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

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

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

e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

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

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

f. ORGANISATIONAL STRUCTURE

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

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

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

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

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

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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

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

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

h. TRUSTEES' INDEMNITIES

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

Objectives and Activities

a. OBJECTS AND AIMS

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

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

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

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

School Improvement Plan priorities for the 2015/2016 academic year included:

- o To consistently meet the good Ofsted outcomes in relation to the quality of education provided by the school and to be increasingly 'outstanding' across all subjects
- o Leaders and governors focus on consistently improving outcomes for all pupils, but especially disadvantaged pupils
- o Improve assessment systems that show progress and identify gaps, in line with new outcomes.
- o Staff and pupils deal effectively with the very rare instances of bullying behaviour
- o Ensure teaching in the EYFS is consistently of a very high quality, inspirational and worthy of dissemination to others; it is highly responsive to children's needs.

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

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

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

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

Activities for achieving objectives

- o Ensure staff training always centred on high expectations for pupils
- o Assessment for learning strategies developed and implemented
- o Leadership team to monitor marking and feedback, giving clear targets for improvement
- o Training of classroom support staff to encourage purposeful provision with a direct positive impact on pupil progress
- o Promotion of reading as a life-long skill and improvement of home learning links
- o Learning in mathematics contextualized to improve understanding of real world use of skills
- o Exciting writing activities promoted across the curriculum
- o EYFS provision allowed child initiated learning and that lessons are learnt from visits to good and outstanding EYFS settings

d. PUBLIC BENEFIT

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

Achievements and performance

a. KEY FINANCIAL PERFORMANCE INDICATORS

The academic year 2015/16 was the third full year of the Academy. The number on roll at the academy increased from 419 in the Autumn 2015 census to 421 in October 2016. The academy was able to increase the physical size of four of its classrooms in the summer of 2015 due to the award of a Condition Improvement Fund grant along with use of the academy's own reserves. This has enabled the academy to increase its class size to 30 pupils per class from 28, thus improving the financial security of the academy in the medium term.

Financial Performance indicators

Staff costs as percentage of pupil led funding	83% (2015: 86%)
Staff costs as percentage of total expenditure	80% (2015: 81%)
Current assets to current liabilities ratio	7.42 (2015: 3.76)

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

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

b. REVIEW OF ACTIVITIES

END OF ACADEMIC YEAR DATA 2015/16

Early Years Foundation Stage

Shenfield St Mary's	83.3%
Essex	71.9%
National	69.3%

Year 1 Phonics:

Achieving the expected standard 2016 = 90% (national average 2016 = 80.6%)

Year 2 Phonics:

Sitting for the first time, achieving the expected standard = 100%

Retaking, achieving the expected standard = 40%

KS1:

Reading

	At the expected standard	At greater depth
Shenfield St Mary's	85%	51.7%
Essex	79.8%	28.1%
National	74%	23.6%

Writing

	At the expected standard	At greater depth
Shenfield St Mary's	79.7%	26.7%
Essex	68%	16.4%
National	65.5%	13.3%

Maths

	At the expected standard	At greater depth
Shenfield St Mary's	78.3%	30%
Essex	74.3%	20.8%
National	72.6%	17.8%

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

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

Science meeting the expected standard (For science there is no greater depth assessment)

Shenfield St Mary's	91.7%
Essex	82.8%
National	81.8%

Reading, writing and maths combined

	At the expected standard	At greater depth
Shenfield St Mary's	71.7%	18.3%
Essex	62.6%	10.9%
National	60.3%	8.9%

KS2 (test results, teacher assessment for writing and science):

Reading

	At the expected standard	At a high standard/greater depth
Shenfield St Mary's	93.1%	50%
Essex	66.9%	
National	65.6%	19%

Writing

	At the expected standard	At a high standard/greater depth
Shenfield St Mary's	89.7%	21%
Essex	76.2%	
National	74%	15%

Grammar Punctuation and Spelling

	At the expected standard	At a high standard/greater depth
Shenfield St Mary's	89.7%	52%
Essex	73.7%	
National	72.4%	23%

Maths

	At the expected standard	At a high standard/greater depth
Shenfield St Mary's	89.7%	43%
Essex	71.2%	
National	69.7%	17%

Science

At the expected standard 84.5%

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

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

Reading, Writing and Maths combined

	At the expected standard	At a high standard/greater depth
Shenfield St Mary's	86.2%	16%
Essex	55.4%	
National	53.2%	5%

c. INVESTMENT POLICY AND PERFORMANCE

The Investment Policy of the Academy is determined by the Resources Committee of the Board of Trustees. The aim of the policy is to ensure that funds which the academy does not immediately need to cover anticipated expenditure are invested in order to maximise income with minimal risk. Should any potential investment opportunity arise this would be presented to the Resources Committee for consideration and approval and reported to the Board of Trustees. It is envisaged that any surplus funds will be invested in interest bearing deposit accounts. At 31 August 2016, no investments were held.

Financial review

a. GOING CONCERN

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

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

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

b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Review

During the period, EFA/LA grants received totalled to £1,483,991 (2015: £1,589,959). Other income included within restricted funds totalled to £20,413 (2015: £11,230). Restricted fund expenditure totalled to £1,842,200 (2015: £1,685,902).

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the 12 month period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

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

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

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

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

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

c. PRINCIPAL RISKS AND UNCERTAINTIES

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

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

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

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

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

Please refer to the Reserves Policy below for a description of the defined benefit pension scheme, in which there was a deficit at 31 August 2016.

d. RESERVES POLICY

The trustees are aware of the requirement to balance current and future needs. They always aim to set a balanced budget with annual income balancing annual expenditure. The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £273,301 which Trustees consider sufficient to act as a buffer against future unbudgeted costs and contingencies.

The Trustees have determined that they should hold a cash contingency equivalent to up to two and half months' payroll expenditure, approximately £268,000.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £814,000. This does not mean that an immediate liability for this amount crystallises; such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

The academy has total funds of £1,050,008 at 31 August 2016 and £776,707 of restricted funds not available for general purposes of the academy trust at 31 August 2016. The balance on restricted general funds (excluding pension reserve) of £170,361 plus the balance on unrestricted funds of £273,301 totals a net surplus of £443,662 at 31 August 2016.

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

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

Plans for future periods

a. FUTURE DEVELOPMENTS

School Improvement Plan Priorities 2016/17 include:

- o To ensure the quality of teaching, learning and assessment is outstanding
- o To ensure there is a continued focus on improving outcomes for all pupils but especially disadvantaged pupils and the most able disadvantaged pupils
- o To improve foundation subject assessment systems across all subjects
- o To ensure that RE and Worship is of a high standard, meeting the SIAMS outstanding criteria
- o To maintain high standards of progress and attainment across the whole school
- o To ensure that Early Years teaching is consistently of a very high quality and worthy of disseminating to others

Plans for the premises include applying for a capital grant for roof repairs and to extend the school hall.

FUNDS HELD AS CUSTODIAN

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

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

This report was approved by order of the board of trustees as the company directors, on 5 December 2016 and signed on its behalf by:



A Barton
Chair of Trustees

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

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

Rev. D Thomas, the Incumbent, retired on 30 June 2016 and resigned from the Board. S Bluett, also, stepped down on 4 January 2016. The new Incumbent, Father Chris Mann has been appointed and joined the Board of Trustees on 5 December 2016. Gary Nott was appointed to the Board of Trustees on 11 July 2016 as a community governor. Gary is an experienced head teacher of a local outstanding Catholic Primary School and he sits on the Pupil Committee.

During the year the Board of Trustees implemented the recommendations arising from an external review of its effectiveness and capacity, which was completed in May 2015.

Key changes include:

- o Trustees undertook training on preparation for Ofsted inspection, along with induction and role specific trustee training. The Trustees are now clear about the expectations to reach each judgment and hold the leaders to account backed up by Ofsted criteria.
- o Trustees developed their monitoring activities to ensure visits have an impact. Senior leaders meet with link trustees at least termly to review school progress against agreed targets in the school action plan. Each target has a measureable impact on outcomes for pupils.
- o Trustees sought opportunities to meet other trustees and governors to support them in being more outward looking in order to develop their strategic role and to share best practice. This included appointing Gary Nott to the Board and hosting an information session for local governors and head teachers regarding the multi-academy trust. Trustees continue to attend briefing sessions and have developed links with other schools.
- o Trustees re-organised the committee structure into two main committees, the Resources Committee and the Pupil Committee. There is now a clear direction of strategic leadership focus on

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

GOVERNANCE STATEMENT (continued)

school priorities allocated to the two committees.

- o Trustees attended a workshop on how to develop a multi-academy trust and have initiated discussions about the strategic direction of the Academy over the next few years. The Board is looking for opportunities to expand the Trust with schools joining the Trust that are at least good.

A review of governance will be a focus in the internal audit reviews next year. No significant issues to note were dealt with during the year.

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

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Barton (Chair)	6	6
D Bryant	5	6
B Debenham	3	6
A Mauger	5	6
S Taggart	6	6

REVIEW OF VALUE FOR MONEY

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

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

- Arising from a review of key contracts the Trust changed its payroll provider and its financial support advisers in order to obtain enhanced service and better value for money from these services;
- The Trust purchased new financial budgeting software to assist more effective financial management;
- The Trust made strategic staffing decisions to secure a stable staffing profile for the future and to support outstanding teaching and learning outcomes for pupils

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mid Essex Anglican Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

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

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 Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Essex Educational Finance Support as internal auditors from 1 September 2015 to 31 August 2016.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included those relating to governance, payroll, purchasing, income collection, control accounts and fixed assets. Termly reports are provided to the Board of Trustees through the Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The scope of the checks also covers compliance with the requirements of the Academies Financial Handbook.

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

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the board of trustees on 5 December 2016 and signed on their behalf, by:


A Barton
Chair of Trustees

S Taggart
Accounting Officer



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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Mid Essex Anglican Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education 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 academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 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.

S Taggart
Accounting Officer

Date: 5 December 2016

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

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

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

The Trustees (who act as governors of Shenfield St. Mary's CofE Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 order of the members of the board of trustees on 5 December 2016 and signed on its behalf by:



A Barton
Chair of Trustees

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

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

We have audited the financial statements of Mid Essex Anglican Academy Trust 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 Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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.

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

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

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.



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

for and on behalf of

MWS

Chartered Accountants
Registered Auditors

Kingsridge House
601 London Road
Westcliff-on-Sea
Essex
SS0 9PE
5 December 2016

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

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

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

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

The accounting officer is responsible, under the requirements of Mid Essex Anglican Academy Trust's funding agreement with the Secretary of State for Education dated 30 May 2013, and the Academies Financial Handbook extant from 1 September 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.

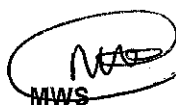
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

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

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO MID ESSEX
ANGLICAN ACADEMY TRUST 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.



MWS

Chartered Accountants
Registered Auditors

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

5 December 2016

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

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

		Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
	Note					
INCOME FROM:						
Donations and capital grants	2	81,080	35,617	26,140	142,837	232,339
Charitable activities	3	1,468,787	-	-	1,468,787	1,476,497
Other trading activities	4	95,080	-	15,148	110,228	94,105
Investments	5	-	-	535	535	591
TOTAL INCOME		1,644,947	35,617	41,823	1,722,387	1,803,532
EXPENDITURE ON:						
Charitable activities		1,710,445	131,755	-	1,842,200	1,685,902
TOTAL EXPENDITURE	8	1,710,445	131,755	-	1,842,200	1,685,902
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	(65,498) 18,526	(96,138) 29,268	41,823 (47,794)	(119,813) -	117,630 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(46,972)	(66,870)	(5,971)	(119,813)	117,630
Actuarial losses on defined benefit pension schemes	23	(352,000)	-	-	(352,000)	(4,000)
NET MOVEMENT IN FUNDS		(398,972)	(66,870)	(5,971)	(471,813)	113,630
RECONCILIATION OF FUNDS:						
Total funds brought forward		(406,827)	1,487,216	279,272	1,359,661	1,408,191
Prior year adjustment (Note 18)		162,160	-	-	162,160	-
TOTAL FUNDS CARRIED FORWARD		(643,639)	1,420,346	273,301	1,050,008	1,521,821

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

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	As restated 2015 £
FIXED ASSETS				
Tangible assets	15		1,420,346	1,487,216
CURRENT ASSETS				
Debtors	16	209,274		213,036
Cash at bank and in hand		303,442		406,293
		<u>512,716</u>		<u>619,329</u>
CREDITORS: amounts falling due within one year	17	(69,054)		(164,724)
NET CURRENT ASSETS			443,662	454,605
TOTAL ASSETS LESS CURRENT LIABILITIES			1,864,008	1,941,821
Defined benefit pension scheme liability	23		<u>(814,000)</u>	<u>(420,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>1,050,008</u>	<u>1,521,821</u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	19	170,361		175,333
Restricted fixed asset funds	19	1,420,346		1,487,216
Restricted income funds excluding pension liability		<u>1,590,707</u>		<u>1,662,549</u>
Pension reserve		<u>(814,000)</u>		<u>(420,000)</u>
Total restricted income funds			776,707	1,242,549
Unrestricted funds	19		<u>273,301</u>	<u>279,272</u>
TOTAL FUNDS			<u>1,050,008</u>	<u>1,521,821</u>

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:



A Barton
Chair of Trustees

The notes on pages 25 to 44 form part of these financial statements.

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	<i>As restated</i> 2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	<u>(73,787)</u>	<u>93,643</u>
Cash flows from investing activities:			
Capital expenditure and financial investment		<u>(29,064)</u>	<u>(56,748)</u>
Net cash used in investing activities		<u>(29,064)</u>	<u>(56,748)</u>
Change in cash and cash equivalents in the year		(102,851)	36,895
Cash and cash equivalents brought forward		<u>406,293</u>	<u>369,398</u>
Cash and cash equivalents carried forward		<u><u>303,442</u></u>	<u><u>406,293</u></u>

MID ESSEX ANGLICAN ACADEMY TRUST
(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.

Mid Essex Anglican Academy Trust 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 Mid Essex Anglican Academy Trust 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 Mid Essex Anglican Academy Trust 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. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

1.2 Fund accounting

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

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

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

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

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

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

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

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 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.

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..

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

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

1. ACCOUNTING POLICIES (continued)

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.

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

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

Long-term leasehold property	-	125 years
Building enhancements	-	2 years straight-line basis
Fixtures and fittings	-	5 years straight-line basis
Computer equipment	-	4 years straight-line basis

1.7 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.

1.8 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.

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

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

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

1. ACCOUNTING POLICIES (continued)

1.11 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.

1.12 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 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.

1.14 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 23, 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.

MID ESSEX ANGLICAN ACADEMY TRUST
(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

1.15 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 23, 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.

Critical areas of judgement:

The only critical area of judgement other than the LGPS pension scheme liability is the exclusion of occupied land and buildings from the academy trusts financial statements, further details of which can be found in note 15.

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

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Donations	-	-	26,140	26,140	26,567
Capital Grants	-	35,617	-	35,617	124,692
Use of premises donation	81,080	-	-	81,080	81,080
Total donations and capital grants	81,080	35,617	26,140	142,837	232,339

In 2015, of the total income from donations and capital grants, £26,567 was to unrestricted funds and £205,772 was to restricted funds

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	1,294,562	-	1,294,562	1,312,257
Other DfE/EFA grants	111,153	-	111,153	97,764
	1,405,715	-	1,405,715	1,410,021
Other government grants				
Local authority grants	42,659	-	42,659	55,246
	42,659	-	42,659	55,246
Other funding				
Other income	20,413	-	20,413	11,230
	20,413	-	20,413	11,230
	1,468,787	-	1,468,787	1,476,497

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £1,476,497 was to restricted funds.

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

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

4. OTHER TRADING ACTIVITIES

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	-	15,148	15,148	10,390
Catering income	54,277	-	54,277	42,818
Educational trips and visits	40,803	-	40,803	40,897
	<u>95,080</u>	<u>15,148</u>	<u>110,228</u>	<u>94,105</u>

In 2015, of the total income from other trading activities, £12,149 was to unrestricted funds and £81,956 was to restricted funds.

5. INVESTMENT INCOME

	Restricted funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Short term deposits	-	535	535	591

In 2015, of the total investment income, £ 591 was to unrestricted funds and £ NIL was to restricted funds.

6. DIRECT COSTS

	Educational Operations £	Total 2016 £	Total 2015 £
Technology costs	5,515	5,515	5,878
Educational supplies	23,231	23,231	18,391
Insurance	12,078	12,078	7,090
Staff development	5,554	5,554	6,178
Educational consultancy	12,145	12,145	14,817
Supply teaching costs	14,201	14,201	3,150
Recruitment and support	895	895	1,060
Other staff costs	1,568	1,568	461
Wages and salaries	834,367	834,367	845,922
National insurance	59,384	59,384	49,849
Pension cost	132,381	132,381	115,691
	<u>1,101,319</u>	<u>1,101,319</u>	<u>1,068,487</u>

In 2015, the academy incurred the following Direct costs:
£1,068,487 in respect of Educational Operations

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

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

7. SUPPORT COSTS

	Educational Operations £	Total 2016 £	As restated Total 2015 £
Net pension finance charge	16,000	16,000	14,000
Technology costs	107	107	-
Maintenance of premises	37,678	37,678	29,972
Cleaning	8,280	8,280	4,458
Rent and rates	90,074	90,074	90,860
Energy costs	16,692	16,692	18,541
Insurance	14,581	14,581	17,301
Security and transport	1,254	1,254	2,271
Catering	47,485	47,485	40,681
Support staff supply costs	2,010	2,010	6,663
Legal and professional fees	34,999	34,999	28,068
Other support costs	54,014	54,014	42,070
School trips	39,007	39,007	41,299
Wages and salaries	176,799	176,799	172,063
National insurance	7,357	7,357	6,141
Pension cost	62,789	62,789	60,854
Depreciation	131,755	131,755	42,173
	<u>740,881</u>	<u>740,881</u>	<u>617,415</u>

During the year ended 31 August 2016, the academy incurred the following Governance costs:
£8,660 (2015 - £10,403) included within the table above in respect of Educational Operations.

In 2015, the academy incurred the following Support costs:
£617,415 in respect of Educational Operations

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	As restated Total 2015 £
Educational Operations:					
Direct costs	1,026,132	-	75,187	1,101,319	1,068,487
Support costs	246,943	152,724	341,214	740,881	617,415
	<u>1,273,075</u>	<u>152,724</u>	<u>416,401</u>	<u>1,842,200</u>	<u>1,685,902</u>

In 2016, of the total expenditure, £NIL (2015- £NIL) was to unrestricted funds and £1,842,200 (2015 - £1,685,902) was to restricted funds.

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

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

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	131,755	42,173
Auditors' remuneration - audit	6,500	4,000
Auditors' remuneration - other services	-	1,575
Governance Internal audit costs	1,470	1,430
Operating lease rentals	13,496	1,422
	<u>153,221</u>	<u>49,599</u>

10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	994,954	1,008,172
Social security costs	66,741	55,990
Operating costs of defined benefit pension schemes	195,169	176,545
	<u>1,256,864</u>	<u>1,240,707</u>
Supply teacher costs	16,211	9,813
	<u>1,273,075</u>	<u>1,250,520</u>

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

	2016 No.	2015 No.
Management	3	3
Teachers and classroom support	41	41
Admin	15	15
	<u>59</u>	<u>59</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 above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for this employee amounted to £10,074 (2015: £8,965).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £165,663 (2015: £154,471).

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

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

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Trustees (2015 - 2) in respect of defined benefit pension schemes.

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

		2016 £	2015 £
A Plumstead	Remuneration	5,000-10,000	5,000-10,000
	Pension contributions paid	0-5,000	0-5,000
L Judd	Remuneration	40,000-45,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000
S Taggart, Head Teacher	Remuneration	65,000-70,000	60,000-65,000
	Pension contributions paid	10,000-15,000	5,000-10,000

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

12. TRUSTEES' AND OFFICERS' INSURANCE

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

13. OTHER FINANCE INCOME

	2016 £	2015 £
Interest income on pension scheme assets	-	7,000
Interest on pension scheme liabilities	(16,000)	(21,000)
	<u>(16,000)</u>	<u>(14,000)</u>

14. TRANSFER BETWEEN FUNDS

Funds have been transferred in respect of the following;

£29,268 has been transferred from restricted funds to restricted fixed asset funds representing assets purchased using the General Annual Grant (GAG).

£47,794 has been transferred to restricted funds from unrestricted funds representing amounts transferred to clear GAG deficits.

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

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

15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Building enhancement £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	1,250,000	149,642	142,437	30,586	1,572,665
Additions	-	9,108	51,616	3,957	64,681
At 31 August 2016	1,250,000	158,750	194,053	34,543	1,637,346
Depreciation					
At 1 September 2015	22,500	-	56,990	5,959	85,449
Charge for the year	10,000	79,375	33,726	8,450	131,551
At 31 August 2016	32,500	79,375	90,716	14,409	217,000
Net book value					
At 31 August 2016	1,217,500	79,375	103,337	20,134	1,420,346
At 31 August 2015	1,227,500	149,642	85,447	24,627	1,487,216

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

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

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

16. DEBTORS

	2016 £	As restated 2015 £
Due after more than one year		
Other debtors	81,080	81,080
Due within one year		
VAT recoverable	9,322	19,896
Other debtors	81,081	81,923
Prepayments and accrued income	37,791	30,137
	<u>209,274</u>	<u>213,036</u>

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

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

17. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	308	18,703
Other creditors	1,891	41,495
Accruals and deferred income	66,855	104,526
	<u>69,054</u>	<u>164,724</u>

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	43,112	39,217
Resources deferred during the year	42,982	43,112
Amounts released from previous years	(43,112)	(39,217)
	<u>42,982</u>	<u>43,112</u>
Deferred income at 31 August 2016		

The deferred income at 31 August 2016 is made up of the following:

EFA Rates Funding £2,584
UIFSM Funding £40,022
Catering Income £376

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

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

18. PRIOR YEAR ADJUSTMENT

The Academy Trust occupies the premises under a licence to occupy, which can be withdrawn on 2 years notice.

Following updated advice the Academy has changed the way it represents use of premises belonging to the Chelmsford Diocese.

The Trustees now consider that this represents a donation in kind corresponding to a rent expense. They consider a reasonable open market rent to be equivalent to 1/50th of the EFA's desktop valuation, i.e. £81,080. Since no notice has been given, the Academy has the right to occupy the premises for at least 2 years, following the Balance Sheet date.

As this is a material change in treatment, prior year figures have been restated as follows:

Donation in kind re use of premises;

As originally stated - £NIL

Prior year adjustment - £81,080

As restated - £81,080

Rent;

As originally stated - £NIL

Prior year adjustment - £81,080

As restated - £81,080

Prepaid rent under 1 year;

As originally stated - £NIL

Prior year adjustment - £81,080

As restated - £81,080

Prepaid rent over 1 year;

As originally stated - £81,080

Prior year adjustment - £81,080

As restated - £81,080

Restricted funds brought forward;

As originally stated - £34,492

Prior year adjustment - £162,160

As restated - £196,652

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

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

19. STATEMENT OF FUNDS

	Brought Forward <i>As restated</i> £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted general funds	279,272	41,823	-	(47,794)	-	273,301
Restricted funds						
General Annual Grant (GAG)	13,173	1,294,562	(1,326,261)	18,526	-	-
Other DFE/EFA grants	-	111,153	(106,463)	-	-	4,690
Local Authority grants	-	42,659	(39,148)	-	-	3,511
Other Income	-	115,493	(115,493)	-	-	-
Use of Premises Reserve	162,160	81,080	(81,080)	-	-	162,160
Pension reserve	(420,000)	-	(42,000)	-	(352,000)	(814,000)
	<u>(244,667)</u>	<u>1,644,947</u>	<u>(1,710,445)</u>	<u>18,526</u>	<u>(352,000)</u>	<u>(643,639)</u>
Restricted fixed asset funds						
Inherited fixed assets	1,269,843	-	(30,729)	-	-	1,239,114
Assets purchased since conversion	217,373	-	(101,026)	64,885	-	181,232
DFE/EFA Capital Grants	-	35,617	-	(35,617)	-	-
	<u>1,487,216</u>	<u>35,617</u>	<u>(131,755)</u>	<u>29,268</u>	<u>-</u>	<u>1,420,346</u>
Total restricted funds	<u>1,242,549</u>	<u>1,680,564</u>	<u>(1,842,200)</u>	<u>47,794</u>	<u>(352,000)</u>	<u>776,707</u>
Total of funds	<u>1,521,821</u>	<u>1,722,387</u>	<u>(1,842,200)</u>	<u>-</u>	<u>(352,000)</u>	<u>1,050,008</u>

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

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

Restricted general funds are resources for educational purposes.

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Unrestricted funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Tangible fixed assets	-	1,420,346	-	1,420,346	1,487,216
Debtors due after more than 1 year	-	-	81,080	81,080	81,080
Current assets	239,415	-	192,221	431,636	538,249
Creditors due within one year	(69,054)	-	-	(69,054)	(164,724)
Provisions for liabilities and charges	(814,000)	-	-	(814,000)	(420,000)
	<u>(643,639)</u>	<u>1,420,346</u>	<u>273,301</u>	<u>1,050,008</u>	<u>1,521,821</u>

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

	2016 £	As restated 2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(119,813)	117,630
Adjustment for:	131,551	42,173
Depreciation charges	3,762	(10,101)
Decrease/(increase) in debtors	(95,670)	30,633
(Decrease)/increase in creditors	(35,617)	(124,692)
Capital grants from DfE and other capital income	26,000	24,000
Defined benefit pension scheme cost less contributions payable	16,000	14,000
Defined benefit pension scheme finance cost	<u>(73,787)</u>	<u>93,643</u>
Net cash (used in)/provided by operating activities	<u>(73,787)</u>	<u>93,643</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	303,442	406,293
Total	<u>303,442</u>	<u>406,293</u>

23. PENSION COMMITMENTS

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

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

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

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

23. PENSION COMMITMENTS (continued)

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of 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 £110,771 (2015 - £94,440).

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 £77,000 (2015 - £74,000), of which employer's contributions totalled £60,000 (2015 - £58,000) and employees' contributions totalled

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

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

23. PENSION COMMITMENTS (continued)

£17,000 (2015 - £16,000). The agreed contribution rates for future years are 12.3% for employers and 5.5% to 7.5% for employees.

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

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
RPI increase	3.20 %	3.60 %

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	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	189,000	110,000
Debt instruments	12,000	16,000
Property	30,000	19,000
Gilts	10,000	7,000
Cash	8,000	4,000
Alternative Assets and Other managed funds	25,000	12,000
Total market value of assets	274,000	168,000

The actual return on scheme assets was £30,000 (2015 - £7,000).

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

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

23. PENSION COMMITMENTS (continued)

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)	(86,000)	(82,000)
Net interest cost	(16,000)	(14,000)
Total	<u>(102,000)</u>	<u>(96,000)</u>
Actual return on scheme assets	<u>30,000</u>	<u>7,000</u>

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

	2016 £	2015 £
Opening defined benefit obligation	588,000	472,000
Current service cost	86,000	82,000
Interest cost	24,000	21,000
Contributions by employees	17,000	16,000
Actuarial losses	374,000	4,000
Benefits paid	(1,000)	(7,000)
Closing defined benefit obligation	<u>1,088,000</u>	<u>588,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	168,000	94,000
Return on plan assets (excluding net interest on the net defined pension liability)	-	7,000
Interest income	8,000	-
Actuarial gains and (losses)	22,000	-
Contributions by employer	60,000	58,000
Contributions by employees	17,000	16,000
Benefits paid	(1,000)	(7,000)
Closing fair value of scheme assets	<u>274,000</u>	<u>168,000</u>

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

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

24. 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	13,443	13,063
Between 1 and 5 years	13,876	25,154
Total	27,319	38,217

25. 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.

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

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

26. RELATED PARTY TRANSACTIONS

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

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

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

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

Consequently these accounts include; Donations £81,080 (2015 £81,080); Rent £81,080 (2015 £81,080); Prepayments due under 1 year £81,080 (2015 £81,080) and Prepayments due over 1 year £81,080 (2015 £81,080).

During the period the Diocese of Chelmsford provided the academy trust with services to the value of £1,048 (2015: £NIL) which is included in educational support costs within these financial statements. There were no transactions during the period between the academy and the Incumbent and Churchwardens of the Parish of Shenfield (2015:£NIL). There were no balances owing to/from the Diocese of Chelmsford and the Incumbent and Churchwardens of the Parish of Shenfield at 31 August 2016 (2015: £NIL).

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

There were no other related party transactions during the period.

27. 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.

28. CONTROLLING PARTY

There is no overall controlling party.