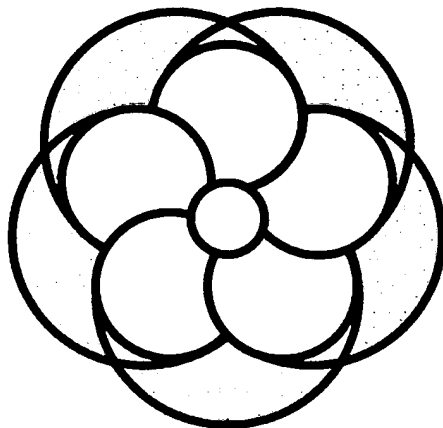


ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2016



Company registration number:
07716911 (England and Wales)

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

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ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

Reference and administrative details

| | | |
|---|--|---|
| Governors (Trustees): | Mrs Diane Perry-Yates Ms Jenny Melling Mrs Alison Cullum Mrs Julie Adams Mrs Maria Adcock Mrs Kendra Collier Mr Ian Hetherington Mr Andrew Hughes Mr Phillip Paddon Mr Alan Quinton Rev Heather Wilcox | (Chair) (Vice Chair) (Headteacher) (resigned 18 December 2015) |
| Key management personnel: | Mrs Alison Cullum Mrs Kendra Collier Mr Andrew Hughes | |
| Company Secretary: | Mrs C Locke | |
| Principal and Registered office: | St Mary's Church of England Junior School Swan Lane Long Stratton Norwich Norfolk NR15 2UY | |
| Company registration number: | 07716911 (England and Wales) | |
| Independent Auditor: | Lovewell Blake LLP Chartered Accountants and Statutory Auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB | |
| Bankers: | The Co-operative Bank P.O. Box 250 Delf House Southway Skelmerdale WN8 6WT | |
| Solicitors: | Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ | |

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2016

The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2016. The annual report serves the purposes of both a Trustees' report and directors' report under company law.

The Academy Trust operates an academy for pupils aged 7 to 11 serving a catchment area in Long Stratton. It has a pupil capacity of 240 and pupil roll of 206 on 19 July 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy and are part of the Funding Agreement between the company and the Secretary of State for Education. The Governors of the St Mary's Church of England Junior School Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Mary's Junior School.

Details of the Governors who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' Indemnities

Subject to the provisions of the Companies Act, every Governor or other officer or auditor 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 judgement 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 affairs of the Academy.

Governors Recruitment, Induction and Training Procedures

The Academy is governed by the Trustee board which delegates functions as appropriate to a Local Governing Body who are appointed by the Trustees as a committee. The Trustees and Governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the Academy. The Trustees were initially appointed as described in the constitution and; the Trustee board may appoint Trustees in exceptional circumstances. No Trustees were co-opted nor were appointments made by the Secretary of State in 2015/2016. Trustees may be removed by the person or persons who appointed them.

The Articles of Association require the members of the Charitable Company to appoint at least two Director Trustees to be responsible for the statutory and constitutional affairs of the Charitable Company and the management of the Academy.

The training and induction provided for new Governors includes a tour of the Academy and a chance to meet staff and pupils. Norfolk Governors Services provides external training including financial matters. They provide regular updates on practice, legislation and guidance.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governors Recruitment, Induction and Training Procedures (continued)

All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The organisational structure of the Academy consists of three levels: The Trustees, Governors, and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees and Governing Body are responsible for: setting the strategic direction of the school; adopting an annual School Development plan and financial budget; and monitoring the Academy through financial scrutiny. The Governors are responsible for monitoring the performance of the Headteacher on a regular basis.

The Senior Leadership Team members for the Academy are the Headteacher, Assistant Head LKS2 (with additional SENDCO responsibility and Assistant Head UKS2 with a PE/G&T responsibility. These control the Academy at an executive level realising the vision for the Academy, ensuring the Academy runs smoothly and help children make creative and academic progress, implementing the policies laid down by the Governors and reporting back to them. The Headteacher authorises all high value orders within the Academy.

Arrangements for setting pay and remuneration of key management personnel

The Academy chooses to mirror national pay and conditions agreements for its Teaching Staff and mirrors local government pay and conditions for its support staff. In exceptional cases the Academy chooses to apply individual terms and conditions where there is an overriding benefit for the Trust in so doing.

Teaching and Support staff within the Academy are subject to an annual performance process which determines recommendations on pay progressions. Where staff are eligible for pay progression, the decision is made by the Trust Board.

Connected organisations, including related party relationships

There are no related parties which either control or significantly influence the decisions and operations of St Mary's Church of England School Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Object of the Academy is as follows:

'The Academy Trust's object ("the Object") is specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character, offering a broad and balanced curriculum ("the Academy") 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 (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education, and*
- To promote for the benefit of individuals living in Long Stratton and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals, for so long as the Academy continues to function as an educational institution.'*

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2016

OBJECTIVES AND ACTIVITIES (continued)

Objectives, strategies and activities

The main objectives of the Academy during the year ended 31 August 2016 are summarised below:

- feel safe and valued as part of a caring community that celebrates success;
- experience and actively participate in a relevant, enjoyable curriculum that evolves to meet the needs of all;
- inspire an 'enquiring' mind and ask questions;
- be independent thinkers / learners who are able to seek solutions creatively and co-operatively;
- be able to listen and articulate responses showing consideration to others;
- be polite and courteous;
- be proactive in our responsibilities towards the community, society, the environment and economy, linking 'real life' with our learning;
- understand and respect diversity;
- develop a sense of self-esteem; and
- be well balanced and healthy individuals.

Key priorities for the year are contained in our Strategic Development Plan which is available from the School Office. Improvement Focuses identified for this year include:

- Standards improve in Maths;
- Continue to improve 2 levels progress in Writing at the end of KS2;
- The progress in Maths is maintained through recommended teaching methods;
- All Children experience a wider, practical integrated curriculum;
- Financial management continues to be of the highest standards and give value for money;
- External/ internal resources enable a safe, healthy and stimulating environment;
- Parents feel confident in the Academy and it is valued by the community;
- Links with the church continue to build and strengthen; and
- Christian values are clearly embedded throughout the school community;

Public Benefit

In setting our objectives and planning our activities the Governors and Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. Pupils are admitted in accordance with the admissions policy agreed with the Department for Education (DfE). Children are admitted from a wide range of backgrounds, from social housing in Long Stratton, to those from higher income households outside of our catchment area. The Academy has a rich curriculum which aims to deliver good academic progress with a range of activities and experiences, offering pupils a chance to demonstrate their abilities and potential.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2016

STRATEGIC REPORT

Achievements and performance

Total pupils in the year ended 31st August 2016 numbered 217

The School was inspected by Ofsted on 12 – 13 October 2016. The result of this was published on 9 November 2016; St Mary's is now a Good school in every area.

Our school curriculum continues to be one which offers variety and interest to all pupils. This year children have taken part in lots of exciting activities. All year groups had the opportunity to go on a residential; Year 3 went to Eaton vale, Year 4 Kingswood, Year 5 Horstead (the centre run by the Diocese of Norwich) and Year 6 France; this visit included visits to the WW1 battlefields where children were able to honour the fallen by laying a wreath. Children also take part in a range of 'day' visits which help to enrich our wide and varied curriculum including: Time and tide, Duxford, West Stow, Caistor St Edmund, Science Olympiad, Maths Challenge, Norwich Book festival and many more. We also encouraged community/parental participation with maths cafes, reading cafes and curriculum open mornings. Our end of term event celebrating the Queen's Birthday through nine decades of song, was exceptionally well attended, both by parents, grandparents and members of the local dementia care home. 140 cakes were baked for the event by our parents and were enjoyed by all attending.

The school continues to work alongside and support other schools; this year we have worked with our local cluster schools, Dickleburgh Primary, Garboldisham Primary, Scole Primary, Little Melton Primary and with the Essendine Teaching Alliance based in Maida Vale, London, together with the Wyvern partnership based in Lambeth.. The school continues to work closely with the Norwich Diocese and the Local Authority through the NB2B programme.

In addition the school continued to offer a range of many other activities and experiences for its pupils. Those who come from low economic backgrounds were able to apply to access the Pupil Premium fund to access a range of activities including residentials, day trips, theatre visits, skillforce, accelerated reader and pastoral support.

Academic achievements

In Reading 74% of children attained expected standard against the national standard of 66%.

In Writing 84% children achieved the expected standard against a national standard of 74%

Teacher assessment proved accurate in both Reading and Writing, with judgements being upheld in external moderation for Writing

PP children have performed strongly this year with 55% achieving the expected standard in RWM. In Reading and Writing there was no significant gap between PP and non PP children.

In Maths PP children outperformed non PP with 64% achieving expected standard against 51% of non PP.

Our 1 EAL pupil achieved 100% in RWM

Going Concern

After making appropriate enquiries, the Governing Body 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 Statement of Accounting Policies.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2016

Financial Review

Most of the Academy's income is obtained from the Department for Education via 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 year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2016, the Academy received income of £935,475 (2015 - £920,270) in respect of General Annual Grant and other Government funding and £102,063 (2015 - £93,651) other income, giving total income of £1,037,538 (2015 - £1,013,921) for the year. Expenditure for the period amounted to £1,039,062 (2015 - £973,116).

Reserves Policy

The Governors' Resources Committee believe reserves should be set at a level which will provide sufficient working capital to cover delays between spending and receipt of grants to allow for unexpected situations such as urgent maintenance work.

As at 31 August 2016 the Academy had free reserves of £20,791. It is the aim of the Governors to achieve a balanced budget and to build up reserves where possible.

Investment Policy

With the exception of cash held for the operation of the Academy, St Mary's Church of England Junior School has no realisable investments as at 31 August 2016. The Governing Body has adopted a low risk strategy to cash holdings operating an interest bearing account with the Academy's bankers.

Principal Risks and Uncertainties

The Governors have responsibility to assess the strategic risks to which the Academy is exposed and have completed a risk management register to ensure that steps are taken to mitigate risks.

This is done through the sub-committees and includes educational risks such as the Academy not achieving the planned educational outcomes and maintenance and improvement on previous examination results, whole or partial building loss, financial and operational risks, including budget risks and health and safety reviews and safeguarding pupils. In this way steps are taken to mitigate risk. Some significant risks such as public and employee liability are covered by the Academy's insurance policy.

The Governors are implementing a number of systems to assess risks that the Academy faces, especially in the strategic risks areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls and this is explained in more detail in this report.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2016

Plans for future periods

The objectives, strategies and activities for the next financial year are:

- To ensure that a target of 75% of all children should be embedded across all subjects including SEND.
- To ensure that a target of 20% of children should achieve 'mastery' across all subjects.
Develop peer/self/teacher assessment skills incorporating 2 stars and a wish.
- Continuing to embed the Big Write and VCOP scheme and ensuring continuity.

Moderation staff meetings to assist with levelling- externally.
Set up VCOP displays in each classroom for children to use daily.
School Governors Learning walks to ask children about their learning; look for evidence in literacy, handwriting and topic books; look for use of success criteria and verbal feedback in lessons.
School Development Committee to check progress and attainment in Writing.
- To raise attainment through improving assessment and monitoring systems.
By setting up rigorous monitoring systems.
Planned moderation of subject areas.
- For Governors to continue to have a greater impact on school development.
By being more visible in school and having contact with other school members.
Governor(s) to be involved and contribute to school development.

Human equalities policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

Lifts and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support recruitment and retention of pupils and employees with disabilities. The Academy does this by adapting the physical environment, by making resources available and through training and career development.


Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware: and
- the Governors have taken all steps that they ought to have taken to make themselves aware of the relevant audit information and to establish that the auditor is aware of that information.

Lovewell Blake LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The report of the Governors, including Strategic Report, was approved by the Governors, as the company directors, on 15/12/16 and signed on their behalf by:


Diane Perry-Yates
Chair of Governors

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

GOVERNANCE STATEMENT for the year ended 31 August 2016

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that St Mary's Church of England Junior School Academy Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Head Teacher 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 St Mary's Church of England Junior School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information of governance included here supplements that described in the Governors' report and in the statement of Governors' responsibilities. The Full Governing Body has formally met eight times during the year to 31 August 2016. Attendance during this period at Full meetings of the Governing Body was as follows:

| Governor | Meetings attended | Out of a possible |
|-----------------------|-------------------|-------------------|
| Mrs Diane Perry-Yates | 8 | 8 |
| Rev Heather Wilcox | 7 | 8 |
| Mrs Alison Cullum | 8 | 8 |
| Mrs. Kendra Collier | 8 | 8 |
| Mr. Andrew Hughes | 8 | 8 |
| Mrs Julie Adams | 8 | 8 |
| Mrs Jenny Melling | 8 | 8 |
| Mrs. Maria Adcock | 8 | 8 |
| Mr Alan Quinton | 7 | 8 |
| Mr. Phillip Paddon | 7 | 8 |
| Mr Ian Hetherington | 2 | 2 |

Diane Perry-Yates was reappointed Chair on 22 September 2015

The largest challenge presented to the Governors during the year has been the continued need to operate the Academy within a 'balanced budget'.

The Resources Committee is a committee of the main Governing Body. Its purpose is to review and plan the strategic financial planning and expenditure of the Academy budget.

Attendance at Resources Committee meetings in the year to 31 August 2016 was as follows:

| Governor | Meetings attended | Out of a possible |
|-----------------------|-------------------|-------------------|
| Mrs Diane Perry-Yates | 8 | 8 |
| Mr Andrew Hughes | 8 | 8 |
| Mrs Alison Cullum | 8 | 8 |
| Mr Ian Hetherington | 3 | 3 |
| Mr Phil Paddon | 7 | 8 |

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

GOVERNANCE STATEMENT for the year ended 31 August 2016

Review of value for money

As Accounting Officer, the Headteacher has responsibility for ensuring 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 Governors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy has delivered improved value for money during the year as follows:

Improving educational results

Although test results have fluctuated over the past two years the school is now on an upward trend in attainment and progress in Reading and Writing; both were set as development areas at our last Ofsted in 2014. PP children have also performed well this year; attainment and progress gaps have closed, in some cases PP children have overtaken non PP.

Attainment – Strengths

In Reading 74% of children attained expected standard against the national standard of 66%.

In Writing 84% children achieved the expected standard against a national standard of 74%

Teacher assessment proved accurate in both Reading and Writing, with judgements being upheld in external moderation for Writing

PP children have performed strongly this year with 55% achieving the expected standard in RWM. In Reading and Writing there was no significant gap between PP and non PP children.

In Maths PP children outperformed non PP with 64% achieving expected standard.

Our 1 EAL pupil achieved 100% in RWM

Value for Money

To obtain best value for our money, we operate the 3 quote system for all work to be carried out in the school. We always shop around for best value in all our purchases e.g. following attendance at the academies show we sourced an excellent values based resource 'Skillsforce' for our Pupil Premium children, which will lead to the children having developed many skills not taught in the current curriculum, e.g. bushcraft, but that will prepare them for their future lives, whilst raising aspirations.

Governance

Good financial guidance and oversight is provided by our Finance Governors who have many years experience in businesses. They have advised and challenged the Headteacher and Finance Manager during the past year to achieve value for money. The school has managed the budget well in a year when schools are being increasingly challenged by budget cuts to Local Authority Services, particularly in Social Care.

The Purpose of the System of Internal Control

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

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

GOVERNANCE STATEMENT for the year ended 31 August 2016

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 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 Governing Body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the 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 Governing Body has considered the need for a specific internal audit function and has appointed internal auditors from the Local Authority. The internal auditors' function includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The internal auditors provided, on a regular basis, a written report to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

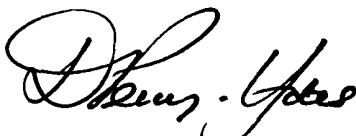
Review of Effectiveness

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

- the work of the Responsible Officer;
- the work of the Academy Finance officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the School Support Officer who has 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 13/12/16 and signed on its behalf by:



Diane Perry-Yates
Chair of Governors



Mrs Alison Cullum
Accounting Officer

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE for the year ended 31 August 2016

As Accounting Officer of St Mary's Church of England Junior School Academy Trust I have considered my responsibility to notify the Academy Trust Governing Body 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Alison M Cullum

Mrs Alison Cullum
Accounting Officer

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES for the year ended 31 August 2016

The Governors (who act as Trustees for the charitable activities of St Mary's Church of England Junior School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors 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 Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

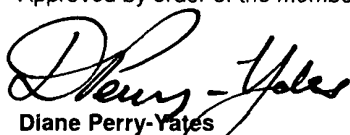
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards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

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the Governing Body on 13/12/16 and signed on its behalf by:


Diane Perry-Yates
Chair of Governors

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS for the year ended 31 August 2016

We have audited the financial statements of St Mary's Church of England Junior School for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the 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 opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Governors' Responsibilities Statement set out on page 12, the Governors (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.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. 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

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2016, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the charities SORP 2015 and the Academies Accounts Direction 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 Report of the Governors for the period for which the financial statements are prepared is consistent with the financial statements.

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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

LoveWell Blake LLP
MARK PROCTOR FCA DChA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

14/12/16

Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY AND THE EDUCATION FUNDING AGENCY for the year ended 31 August 2016

In accordance with the terms of our engagement letter dated 6 October 2015 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 the academy trust during the year ended 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 the Governing Body and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Governing Body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body and the EFA, for our work, for this report, or for the opinion we have formed.

Respective responsibilities of the accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Academy's funding agreement with the Secretary of State for Education dated 25 July 2011 and the Academies Financial Handbook, extant from 1 September 2013, 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 ended 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.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BODY AND THE EDUCATION FUNDING AGENCY for the year ended 31 August 2016

The work undertaken to draw to our conclusion includes:

- Review of minutes of the various committees and sub-committees, management accounts and discussions with key personnel
- Evaluation of the implementation of the internal control procedures, and detailed review of the control environment for any changes or weaknesses
- Review of expense claims and credit card expenditure, to ensure it adheres to internal control procedures and is not for personal benefit
- Review of financial transactions for any unusual transactions which may be improper
- Ensuring that all the activities of the Academy are in keeping with the Academy's framework and charitable objectives
- Ensuring that key staff and Governors have declared their interest in related parties and following up with discussions and testing
- Review of related party transactions to ensure that no favourable rates have been applied
- Ensuring any contracts with connected parties have been procured following the Academy's procurement and tendering process, and if contracts were entered in to after 1 November 2013 that the Academy has obtained statements of assurance confirming no profit element was charged.
- Ensuring expenditure does not contravene the funding agreement
- Ensuring extra-curricular payments for staff have been made in accordance with the Handbook
- Ensuring that where special payments, including compromise agreements have been made to staff, that prior approval has been sought for non-contractual amounts over £50,000, payments are not used as a substitute for taking appropriate action under the Academy's misconduct or performance management procedures, and payments are in line with the severance guidance published by EFA
- Ensuring borrowing agreements, including finance leases, have been made in accordance with the Handbook
- Ensuring land and building transactions, especially disposals, are in line with the funding agreement and Handbook and prior approval has been obtained
- Ensuring write-offs over 1% of total income or £45,000 (whichever is smaller) have been approved in advance by the Secretary of State
- Ensuring procurement activity is in accordance with Annex 4.4 of Managing Public Money

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 ended 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

LoveWell Blake LLP
MARK PROCTOR FCA DChA (Reporting Accountant)
LOVEWELL BLAKE LLP

14/12/16

Bankside 300
Peachman Way
Broadland Business Park
Norwich, NR7 0LB

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2016
(including Income and expenditure account and Statement of Total Recognised Gains and Losses)

| | | Unrestricted Funds | Restricted Funds | Restricted Fixed Asset Funds | Total 2016 | Total 2015 |
|---|-----------|-----------------------|---------------------|---------------------------------------|------------------|------------------|
| | Note | £ | £ | £ | £ | £ |
| Income and endowments from: | | | | | | |
| Donations and capital grants | 2 | 5,999 | 6,486 | 7,966 | 20,451 | 11,999 |
| Charitable activities: | | | | | | |
| Funding for the Academy's educational operations | 3 | - | 935,475 | - | 935,475 | 920,270 |
| Other trading activities | 4 | 79,072 | 2,280 | - | 81,352 | 81,306 |
| Investments | 5 | 260 | - | - | 260 | 346 |
| Total | | 85,331 | 944,241 | 7,966 | 1,037,538 | 1,013,921 |
| Expenditure on: | | | | | | |
| Raising funds | 6 | 30,304 | - | - | 30,304 | 36,934 |
| Charitable activities: | | | | | | |
| Academy's educational operations | 6 | 57,355 | 930,078 | 21,325 | 1,008,758 | 936,182 |
| Total | | 87,659 | 930,078 | 21,325 | 1,039,062 | 973,116 |
| Net income/(expenditure) | | (2,328) | 14,163 | (13,359) | (1,524) | 40,805 |
| Other recognised gains/(losses) | | | | | | |
| Actuarial (losses)/gains on defined benefit pension schemes | 21 | - | (180,000) | - | (180,000) | 8,000 |
| Net movement in funds | | (2,328) | (165,837) | (13,359) | (181,524) | 48,805 |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 23,119 | (96,466) | 749,858 | 676,511 | 627,706 |
| Total funds carried forward | 14 | 20,791 | (262,303) | 736,499 | 494,987 | 676,511 |

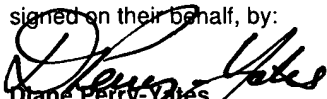
All of the Academy's activities derive from continuing operations during the financial period.
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes on pages 19 to 33 form part of these financial statements.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL**BALANCE SHEET as at 31 August 2016**

| | Note | 2016 £ | 2015 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 11 | 732,360 | 749,858 |
| Current assets | | | |
| Debtors | 12 | 24,293 | 45,800 |
| Cash at bank and in hand | | <u>174,112</u> | <u>126,805</u> |
| | | 198,405 | 172,605 |
| Liabilities | | | |
| Creditors: Amounts falling due within one year | 13 | <u>(58,778)</u> | <u>(60,952)</u> |
| Net current assets | | <u>139,627</u> | <u>111,653</u> |
| Total assets less current liabilities | | 871,987 | 861,511 |
| Defined benefit pension scheme liability | 21 | <u>(377,000)</u> | <u>(185,000)</u> |
| Total net assets | 14 | <u>494,987</u> | <u>676,511</u> |
| Funds of the academy trust | | | |
| Restricted funds | | | |
| Fixed asset fund | 14 | 736,499 | 749,858 |
| Restricted income fund | 14 | 114,697 | 88,534 |
| Pension reserve | 14 | <u>(377,000)</u> | <u>(185,000)</u> |
| | | 474,196 | 653,392 |
| Unrestricted income funds | 14 | <u>20,791</u> | <u>23,119</u> |
| Total funds | | <u>494,987</u> | <u>676,511</u> |

The financial statements were approved by the Governors, and authorised for issue, on 13/12/16 and are signed on their behalf, by:


Diane Perry-Yates
Chairman of Governors

The notes on pages 19 to 33 form part of these financial statements.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

STATEMENT OF CASH FLOWS as at 31 August 2016

| | | 2016 | 2015 |
|--|-------------|----------------|-----------------|
| | Note | £ | £ |
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 17 | 51,134 | 38,730 |
| Cash flow from investing activities | 18 | <u>(3,827)</u> | <u>(13,297)</u> |
| Change in cash and cash equivalents in the reporting period | | 47,307 | 25,433 |
| Cash and cash equivalents at 1 September 2015 | | <u>126,805</u> | <u>101,372</u> |
| Cash and cash equivalents at 31 August 2016 | 19 | <u>174,112</u> | <u>126,805</u> |

2016

2015

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

1. Statement of accounting policies

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

Basis of preparation

The financial statements of the academy, which is a public benefit under FRS102, have been prepared under the historical cost convention and 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.

St Mary's Church of England Junior School meets the definition of a public benefit entity under FRS102.

First time adoption of FRS 102

These financial statements are the first financial statements of St Mary's Church of England Junior School prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS102) and the Charities SORP 2015 (SORP 2015). The financial statements of St Mary's Church of England Junior School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ("UK GAAP") and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. (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 24.

Going concern

The Governors 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 Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

• Grants

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

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

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

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

1. Statement of accounting policies (continued)

- **Donations**
Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.
- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.
- **Donated goods, facilities and services**
The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy's policies.

Expenditure

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

- **Expenditure on raising funds**
This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

1. Statement of accounting policies (continued)

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

| | |
|----------------------------------|------------------------------|
| Long leasehold buildings | 2% straight line |
| Long leasehold land | Over the period of the lease |
| Fixtures, fittings and equipment | 10%-20% straight line |
| Computer equipment | 25% straight line |

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.

Leased assets

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

Debtors

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

Cash at bank

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.

Liabilities

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

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.

Pensions benefits

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.

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

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

1. Statement of accounting policies (continued)

Pensions benefits (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 is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets 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.

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 Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders 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/donor and include grants from the Education Funding Agency.

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 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 liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 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.

Redundancy

Where an obligation to make a redundancy or termination payment arises, the costs incurred by the academy are accounted for on an accruals basis and included within employee benefits.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

1. Statement of accounting policies (continued)

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.

2. DONATIONS AND CAPITAL GRANTS

| | Unrestricted £ | Restricted £ | 2016 £ | 2015 £ |
|----------------|-------------------|-----------------|---------------|---------------|
| Donations | 5,999 | 7,966 | 13,965 | 9,292 |
| Capital grants | - | 6,486 | 6,486 | 2,707 |
| | <u>5,999</u> | <u>14,452</u> | <u>20,451</u> | <u>11,999</u> |

The income from donations and capital grants was £20,451 (2015: £11,999) of which £5,999 was unrestricted (2015: £6,267), £6,486 was restricted (2015: £2,707) and £7,966 restricted fixed assets (2015: £3,025).

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted £ | Restricted £ | 2016 £ | 2015 £ |
|------------------------------|-------------------|-----------------|----------------|----------------|
| DfE/EFA revenue grants | | | | |
| • General Annual Grant (GAG) | - | 821,450 | 821,450 | 774,799 |
| • Other DfE/EFA Grants | - | 114,025 | 114,025 | 145,471 |
| | <u>-</u> | <u>935,475</u> | <u>935,475</u> | <u>920,270</u> |

Funding for the academy's educational operations was £935,475 (2015: £920,370) of which £Nil was unrestricted (2015: £Nil), £935,475 restricted (2015: £920,270) and £Nil restricted fixed assets (2015: £Nil).

4. OTHER TRADING ACTIVITIES

| | Unrestricted £ | Restricted £ | 2016 £ | 2015 £ |
|----------------------------------|-------------------|-----------------|---------------|---------------|
| Trips | 30,821 | - | 30,821 | 29,634 |
| Activities | 16,264 | - | 16,264 | 18,390 |
| Hire of facilities | 4,385 | - | 4,385 | 4,929 |
| Catering income | 24,531 | - | 24,531 | 22,880 |
| Insurance claims – staff absence | - | 2,280 | 2,280 | 1,965 |
| Other income | 3,071 | - | 3,071 | 3,508 |
| | <u>79,072</u> | <u>2,280</u> | <u>81,352</u> | <u>81,306</u> |

Income from other trading activities was £81,352 (2015: £81,306), of which £79,072 was unrestricted (2015: £79,341), £2,280 restricted (2015: £1,965) and £Nil restricted fixed assets (2015: £Nil).

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

5. INCOME FROM INVESTMENTS

| | Unrestricted £ | Restricted £ | 2016 £ | 2015 £ |
|---------------|-------------------|-----------------|-----------|-----------|
| Bank Interest | 260 | - | 260 | 346 |

Income from investments was £260 (2015: £46), of which £260 was unrestricted (2015: £346), £Nil restricted (2015: £Nil) and £Nil restricted fixed assets (2015: £Nil).

6. EXPENDITURE

| Non pay expenditure | | | | | |
|-------------------------------------|---------------------|---------------|------------|--------------------|--------------------|
| | Staff Costs £ | Premises £ | Other £ | Total 2016 £ | Total 2015 £ |
| Expenditure on raising funds | - | - | 30,304 | 30,304 | 36,934 |
| Charitable activities: | | | | | |
| Academy's educational operations | | | | | |
| Direct costs | 620,540 | - | 93,398 | 713,938 | 679,520 |
| Allocated support costs | 102,060 | 89,716 | 91,044 | 282,820 | 242,662 |
| FRS102 pension costs | 12,000 | - | - | 12,000 | 14,000 |
| | 734,600 | 89,716 | 214,746 | 1,039,062 | 973,116 |

Expenditure was £1,039,062 (2015: £973,116), of which £87,659 was unrestricted (2015: £78,679), £930,078 restricted (2015: £875,066) and £21,325 restricted fixed assets (2015: £19,371).

| Net income/expenditure for the year includes: | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Operating leases | 1,578 | 1,578 |
| Fees payable to auditor | | |
| - audit | 7,776 | 6,120 |
| - other services | 6,850 | 6,661 |

7. CHARITABLE ACTIVITIES

| | Unrestricted £ | Restricted £ | 2016 £ | 2015 £ |
|---|-------------------|-----------------|-----------|-----------|
| Direct costs – educational operations | 56,728 | 657,210 | 713,938 | 679,520 |
| Support costs - educational operations | 627 | 282,193 | 282,820 | 242,662 |
| FRS102 pension costs | - | 12,000 | 12,000 | 14,000 |
| | 57,355 | 951,403 | 1,008,758 | 936,182 |

Expenditure on charitable activities was £1,008,758 (2015: £936,182), of which £57,355 was unrestricted (2015: £39,728) £930,078 restricted (2015: £916,811) and £21,325 restricted fixed assets (2015: £19,371).

Analysis of support costs

| | | | | |
|---------------------|-----|---------|---------|---------|
| Support staff costs | - | 102,060 | 102,060 | 92,350 |
| Premises costs | - | 89,716 | 89,716 | 73,152 |
| Other support costs | 627 | 80,385 | 81,012 | 68,180 |
| Governance costs | - | 10,032 | 10,032 | 8,980 |
| | 627 | 282,193 | 282,820 | 242,662 |

Support costs totalled £282,820 (2015: £242,662), of which £627 was unrestricted (2015: £2,017), £282,193 restricted (2015: £240,645) and £Nil restricted fixed assets (2015: £Nil).

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

8. STAFF

a) Staff costs

Staff costs during the period were:

| | Total 2016 £ | Total 2015 £ |
|-----------------------|--------------------|--------------------|
| Wages and salaries | 591,647 | 576,166 |
| Social security costs | 35,709 | 32,461 |
| Pension costs | 89,566 | 80,086 |
| FRS102 pension costs | 12,000 | 14,000 |
| Supply staff costs | <u>5,678</u> | <u>2,509</u> |
| | <u>734,600</u> | <u>705,222</u> |

b) Staff numbers

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

| | 2016 No | 2015 No |
|------------------------------|------------|------------|
| Charitable Activities | | |
| Teaching | 7 | 7 |
| Administration and support | 39 | 35 |
| Management | <u>3</u> | <u>3</u> |
| | <u>22</u> | <u>23</u> |

c) Higher paid staff

There were no employees during the period with emoluments above £60,000.

d) Key management personnel

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy were £162,870 (2015: £156,359).

9. RELATED PARTY TRANSACTIONS - GOVERNORS' REMUNERATION AND EXPENSES

One or more Governors have been paid remuneration or have received other benefits from an employment with the Academy. The headteacher and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their role as Governors. Other Governors did not receive any payments from the Academy in respect of their role as Governors. The value of Governors' remuneration and other benefits was as follows:

| | | |
|---|-------------------|----------------------------|
| A Cullum (Head and Governor) | | |
| Remuneration | £55,000 - £60,000 | (2015 - £55,000 - £60,000) |
| Employer's pension contributions | £5,000 - £10,000 | (2015 - £5,000 - £10,000) |
| A Hughes (Assistant Head and Governor) | | |
| Remuneration | £35,000 - £40,000 | (2015 - £35,000 - £40,000) |
| Employer's pension contributions | £5,000 - £10,000 | (2015 - £5,000 - £10,000) |
| K Collier (Assistant Head and Governor) | | |
| Remuneration | £40,000 - £45,000 | (2015 - £40,000 - £45,000) |
| Employer's pension contributions | £5,000 - £10,000 | (2015 - £5,000 - £10,000) |

During the year, £220 was reimbursed to two governors in respect of expenses claimed. Other related party transactions involving the Governors are set out in note 23.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides maximum cover up to £1,000,000 and the cost for the period ended 31 August 2016 was £1,089 (2015 - £949). The cost of this insurance is included in the total insurance cost.

11. TANGIBLE FIXED ASSETS

| | Leasehold land & buildings £ | Fixtures, furniture & equipment £ | Computer equipment £ | Total £ |
|-----------------------|---------------------------------------|--|----------------------------|------------|
| Cost | | | | |
| At 1 September 2015 | 772,998 | 34,190 | 15,682 | 822,870 |
| Additions | - | 1,213 | 2,614 | 3,827 |
| At 31 August 2016 | 772,998 | 35,403 | 18,296 | 826,697 |
| Depreciation | | | | |
| At 1 September 2015 | 55,205 | 13,425 | 4,382 | 73,012 |
| Charge in period | 13,803 | 3,490 | 4,032 | 21,325 |
| At 31 August 2016 | 69,008 | 16,915 | 8,414 | 94,337 |
| Net book value | | | | |
| At 31 August 2016 | 703,990 | 18,488 | 9,882 | 732,360 |
| At 31 August 2015 | 717,793 | 20,765 | 11,300 | 749,858 |

All assets are used for educational purposes.

The buildings occupied by the Academy are leased from the Norwich Diocesan Board of Education for a 'peppercorn' rent for a period of 125 years. In addition, the land occupied by the Academy is leased from Norfolk County Council on a 125 year lease which commenced on 17 August 2011.

12. DEBTORS

| | 2016 £ | 2015 £ |
|--------------------------------|---------------|---------------|
| Trade debtors | 1,457 | 1,323 |
| Prepayments and accrued income | 16,267 | 33,287 |
| Other debtors | 6,569 | 11,190 |
| | <u>24,293</u> | <u>45,800</u> |

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2016 | 2015 |
|-------------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 26,593 | 17,019 |
| Other taxation and social security | 11,181 | 9,618 |
| Other creditors | 9,406 | 9,030 |
| Accruals and deferred income | <u>11,598</u> | <u>25,285</u> |
| | <u>58,778</u> | <u>60,952</u> |
| Deferred income | 2016 | 2015 |
| | £ | £ |
| Deferred income at 1 September 2015 | 4,910 | - |
| Released from previous years | (4,910) | - |
| Resources deferred in the year | <u>1,350</u> | <u>4,910</u> |
| Deferred income at 31 August 2016 | <u>1,350</u> | <u>4,910</u> |

Deferred income relates to amounts received from EFA and in respect of school trips during 2015/16 relating to 2016/17.

14. FUNDS

| | Balance at 1 Sept 2015 | Income | Expenditure | Gains, losses and transfers | Balance at 31 August 2016 |
|-------------------------------------|------------------------------|------------------|--------------------|--------------------------------------|---------------------------------|
| | £ | £ | £ | £ | £ |
| Restricted funds | | | | | |
| General Annual Grant (GAG) | - | 821,450 | (788,890) | - | 32,560 |
| Other DfE grants | 88,534 | 122,791 | (129,188) | - | 82,137 |
| Pension reserves | (185,000) | - | (12,000) | (180,000) | (377,000) |
| | <u>(96,466)</u> | <u>944,241</u> | <u>(930,078)</u> | <u>(180,000)</u> | <u>(262,303)</u> |
| Restricted fixed asset funds | | | | | |
| Donations | 2,958 | 7,966 | (303) | - | 10,621 |
| Donated assets | 727,943 | - | (16,099) | - | 711,844 |
| Capital expenditure from GAG | 18,957 | - | (4,923) | - | 14,034 |
| | <u>749,858</u> | <u>7,966</u> | <u>(21,325)</u> | <u>-</u> | <u>736,499</u> |
| Total restricted funds | 653,392 | 952,207 | (951,403) | (180,000) | 474,196 |
| Unrestricted funds | | | | | |
| General reserves | 23,119 | 85,331 | (87,659) | - | 20,791 |
| Total unrestricted funds | 23,119 | 85,331 | (87,659) | - | 20,791 |
| Total funds | 676,511 | 1,037,538 | (1,039,062) | (180,000) | 494,987 |

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

GAG & other DfE grants: the restricted income fund is for the purpose of specific expenditure within the Academy's declared objectives. DfE grants relate to government funding for the provision of education by the Academy. Funding is repayable if the Academy does not meet all funding requirements. Expenditure which has not been covered by GAG funding has been transferred to unrestricted funds.

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

Pension reserve: represents Academy's liability relating to the Local Government Pension Scheme. Any increase in pension contributions suggested by the Scheme Actuary should be able to be met from the Academy's budgeted annual income.

Fixed asset fund: represents the value of fixed assets transferred on conversion and acquisitions since conversion, less accumulated depreciation.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2016 are represented by:

| | Unrestricted Funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total Funds £ |
|--------------------------|----------------------------|-------------------------------------|---|---------------------|
| Tangible fixed assets | - | - | 732,360 | 732,360 |
| Current assets | 20,791 | 173,475 | 4,139 | 198,405 |
| Current liabilities | - | (58,778) | - | (58,778) |
| Pension scheme liability | - | (377,000) | - | (377,000) |
| Total net assets | 20,791 | (262,303) | 736,499 | 494,987 |

16. COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable leases are as follows:

| | 2016 £ | 2015 £ |
|--|------------|--------------|
| Operating leases which expire: | | |
| Not later than 1 year | 395 | - |
| Later than 1 year and not later than 5 years | - | 1,578 |
| | <u>395</u> | <u>1,578</u> |

17. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2016 £ | 2015 £ |
|--|---------------|---------------|
| Net (expenditure) / income for the reporting period (as per the Statement of Financial Activities) | (1,524) | 40,805 |
| Depreciation | 21,325 | 19,371 |
| Defined benefit pension scheme cost less contributions payable (note 21) | 12,000 | 14,000 |
| Decrease / (increase) in debtors | 21,507 | (23,154) |
| (Decrease) in creditors | (2,174) | (12,292) |
| Net cash provided by operating activities | 51,134 | 38,730 |

18. CASH FLOWS FROM INVESTING ACTIVITIES

| | 2016 £ | 2015 £ |
|--|----------------|-----------------|
| Payments to acquire tangible fixed assets | (3,827) | (13,297) |
| Net cash (used in) investing activities | (3,827) | (13,297) |

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2016 £ | 2015 £ |
|--|----------------|----------------|
| Cash in hand and at bank | 174,112 | 126,805 |
| Net cash used by investing activities | 174,112 | 126,805 |

20. MEMBERS' LIABILITY

Each member of the Academy undertakes to contribute to the assets of the Academy 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.

21. PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £9,460 were payable to the schemes at 31 August 2016 (2015: £9,030) and are included within creditors.

Teachers Pension Scheme

Introduction

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

The TPS is an unfunded scheme and members contribute in 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:

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

21. PENSION AND SIMILAR OBLIGATIONS (continued)

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

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

The pension costs paid to TPS in the period amounted to £57,784 (2015: £49,688)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2016 was £29,046 of which employer's contributions totalled £20,875 and employees' contributions totalled £8,172. The agreed contribution rates for future years are 16.8% for employers and 5.5% - 12.5% 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.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

21. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Principal Actuarial Assumptions

| | 2016 | 2015 |
|--|-------------|-------------|
| | % | % |
| Rate of increase in salaries | 3.1 | 3.6 |
| Rate of increase for pensions in payment/inflation | 2.1 | 2.7 |
| Discount rate for scheme liabilities | 2.1 | 3.8 |

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2010 model assuming the current rate of improvement has reached a peak and will converge to a long term rate 1.25% p.a.. The average future life expectancies at age 65 are summarised below:

| | 2016 | 2015 |
|---------------------------|--------------|--------------|
| | Years | Years |
| <i>Current pensioners</i> | | |
| Males | 22.1 | 22.1 |
| Females | 24.3 | 24.3 |
| <i>Future pensioners</i> | | |
| Males | 24.5 | 24.5 |
| Females | 26.9 | 26.9 |

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

| | Fair value at 31 August 2016 | Fair value at 31 August 2015 |
|---|---|---|
| | £ | £ |
| Equity instruments | 304,200 | 232,000 |
| Debt instruments | 131,820 | 104,000 |
| Property | 60,840 | 52,000 |
| Cash | 10,140 | 12,000 |
| Total market value of assets | 507,000 | 400,000 |

The actual return on scheme assets was £69,000 (2015 - £15,000).

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

21. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Amounts recognised in the Statement of Financial Activities

| | 2016 £ | 2015 £ |
|--|---------------|---------------|
| Current service cost (net of employee contributions) | 36,000 | 40,000 |
| Net interest | 23,000 | 20,000 |
| Total operating charge | <u>59,000</u> | <u>60,000</u> |

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

| | | |
|--------------------------|-----------------------|-----------------------|
| At 1 September 2015 | 585,000 | 526,000 |
| Current service cost | 36,000 | 40,000 |
| Interest cost | 23,000 | 20,000 |
| Employee contributions | 8,000 | 8,000 |
| Benefits paid | (1,000) | (1,000) |
| Actuarial loss / (gain) | <u>233,000</u> | <u>(8,000)</u> |
| At 31 August 2016 | <u>884,000</u> | <u>585,000</u> |

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

| | | |
|--------------------------|-----------------------|-----------------------|
| At 1 September 2015 | 400,000 | 347,000 |
| Interest income | 16,000 | 14,000 |
| Actuarial gain | 53,000 | 1,000 |
| Benefits paid | (1,000) | (1,000) |
| Employer contributions | 31,000 | 31,000 |
| Employee contributions | <u>8,000</u> | <u>8,000</u> |
| At 31 August 2016 | <u>507,000</u> | <u>400,000</u> |

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Governor 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.

During the year, the academy was invoiced £1,856 in respect of clerking services provided by Governor Clerking Service, a business owned by Mr C Perry-Yates, husband of Mrs D Perry-Yates, Chair of Governors.

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2016

23. EXPLANATION OF TRANSITION TO 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.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/expenditure for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

| | 31 August 2015 £ |
|---|------------------------|
| Reconciliation of net income / (expenditure) | |
| Net income previously reported under UK GAAP | 45,805 |
| Change in recognition of LGPS interest cost | A (5,000) |
| Net income reported under FRS 102 | <u>40,805</u> |

A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to income by £32,000 and increase the credit in other recognised gains and losses in the Statement of Financial Activities by an equivalent amount.

24. FINANCIAL INSTRUMENTS

The carrying amounts of the academy's financial instruments are as follows:

| | 2016 £ | 2015 £ |
|---|---------------|---------------|
| <i>Financial assets</i> | | |
| Debt instruments measured at amortised cost: | | |
| Trade debtors (note 12) | 1,457 | 1,323 |
| Accrued income (note 12) | 11,050 | 11,855 |
| Other debtors (note 12) | 6,569 | 11,201 |
| | <u>19,076</u> | <u>24,379</u> |
| <i>Financial liabilities</i> | | |
| Measured at fair value through net expenditure: | | |
| Measured at amortised cost: | | |
| Trade creditors (note 13) | 26,593 | 17,019 |
| Accruals (note 13) | 10,248 | 20,375 |
| | <u>36,841</u> | <u>37,394</u> |