

Company Registration Number: 07917752 (England & Wales)

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

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



ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

C Booth
C Ramskill
L Greenfield
S Cook
Fr S Race
P Howarth
Diocese of Wakefield Umbrella Trust

Trustees

S Cook, Chair
C Ramskill
L Spencer (resigned 28 February 2017)
P Howarth (resigned 30 June 2017)
R Marsh
S Williams
M Liddle
M Daws
L Wylie
T Rodger (appointed 13 December 2016)
T Gulliver (appointed 28 February 2017)

Company registered number

07917752

Company name

St Mary's Academy Trust

Registered office

Schofield Sweeney LLP
Springfield House
76 Wellington Street
Leeds
LS1 2AY

Principal operating office

BBIC
Innovation Way
Wilthorpe
Barnsley
South Yorkshire
S75 1JL

Company secretary

Schofield Sweeney

Senior management team

R Marsh, Director of Teaching and Learning, Accounting Officer (part year)
M Priestley, Director of Finance and Operations, Accounting Officer (part year)

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

Advisers (continued)

L Spencer, Head of St Mary's Primary School
C Walls, Head of All Saints Academy
S Kaufman, Head of Queens Road Academy
D Wood, Head of West Meadows Primary School
J Lancett, Head of Darton Primary School
T Gulliver, Head of The Mill Academy
J Ryan, Head of Royston St John's CE Primary

Independent auditors

Harris & Co Limited
Chartered Accountants
Registered Auditors
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Bankers

RBS
747 Attercliffe Road
Sheffield
South Yorkshire
S9 3RF

Solicitors

Schofield Sweeney
Springfield House
76 Wellington Street
Leeds
West Yorkshire
LS1 2AY

ST MARY'S ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who are also directors of the charity for the purposes of the Companies Act ("the Directors")) present their fourth annual report together with the audited financial statements of St Mary's Academy Trust ("the Trust") for the year ended 31 August 2017. The Directors confirm that the annual report and financial statements of the Trust comply with current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" effective from 1 January 2015, and the Financial Reporting Standard 102 (FRS102).

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Trust was incorporated on 20 January 2012 and commenced operations on 1 February 2012 when St Mary's CofE (VA) Primary School converted to an academy. Other schools have joined the Trust on the following dates:

1 September 2012 All Saints Academy
1 September 2013 – Queens Road Academy
1 December 2013 – West Meadows Primary School
1 February 2014 – Darton Primary School
1 September 2014 The Mill Academy
1 February 2016 – Royton St Johns CE Primary

The Charitable Company's memorandum and articles of association are the primary governing documents of the Trust.

Details of the Directors 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 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.

Purpose of the Trust

The Trust has entered into a funding agreement with the Education and Skills Funding Agency ("ESFA"), which provides the framework within which the Trust must operate. The principal object of the Trust is 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 schools offering a broad curriculum.

The Governing Body

As a charity and company limited by guarantee, the Trust is governed by a Board of Trustees who are responsible for, and oversee, the management and administration of the Company and the academies run by the Company. The composition of the Board of Trustees shall be made up as follows:

- The Executive Principal,
- Staff Trustees appointed by the Governing body up to a maximum of one third of the total
- Up to 10 Trustees appointed by the Members.

The Board of Trustees has appointed a Local Governing Body ("LGB")/Performance Committee for each member academy which, for church schools, includes religious distinctiveness and which each has delegated

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

powers to oversee the day to day running of that school.

Trustees and Governors serve a term of office of four years, with the exception of the Executive Principal and any co-opted Trustee or Governor. Subject to remaining eligible to be a particular type of Trustee or Governor any Trustee or Governor may be re elected or re appointed.

All Trustee and Governors have access to training as required, including LGB training provided by Barnsley Metropolitan Borough Council. The Trust is a member of the Barnsley Governors' Association which also provides training and development programmes.

Management's responsibilities are governed by a detailed scheme of delegation, which specifies those decisions that are reserved to the Board of Trustees and those delegated to the LGB or to Senior Management.

The Trust undertook a top down review of governance and internal control frameworks in 2014/15. From September 2015 the Trust has operated a committee structure. During the 2016/17 academic year the Trust reviewed the Terms of Reference for each committee to ensure it reflects working practices. The Trustees also reviewed the scheme of delegations throughout the Trust which was completed by January 2017. In early 2017 the Trust was subject to an ESFA inspection that noted the governance arrangements were fit for purpose and could be up easily replicated (upscaled) if the Trust chose to increase in size.

Risk Management

The Finance Committee along with the Finance Director conducts regular reviews of the actual expenditure and income against budget. This position is reported to both individual Local Governing Bodies and the Trustees.

The role of the internal auditor is conducted by the Trust's auditors, Harris and Co, and their report is received by the Audit Committee who report to the Trustees.

The trustees believe that the academy trust's risk management procedures mitigate as far as reasonably possible the principal risks and uncertainties facing it.

The Trust has in place a risk register which is reviewed termly by the Audit committee. Each area of risk is ranked as to the likelihood of it occurring and the impact of this. The audit committee scrutinise the risk and determine actions to be taken to address this.

The main area of risk for the Trust is that schools do not meet National Expectations and consequently 'reputational' risk.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust reviews its pay policy annually and all salary pay scales are set out in the policy. The criteria for pay groups, bands and pay progression are set out in the Teachers Pay and Conditions document which forms the remit for the Academy Trust's pay structure for its Key Management Personnel.

Connected Organisations, including Related Party Relationships

The Trust is part of the Diocese of Wakefield Umbrella Trust, which continues the links that were in place before academy status when St. Mary's C of E Primary School Academy was a Church of England Voluntary Aided Primary School.

Objects, Aims and Objectives

The principal object and activity of the charitable company for the period to which these financial statements relate is the operation of 7 primary schools, these being, St Marys, All Saints, Queens Road, Darton Primary, West Meadows, The Mill and Royston St Johns to provide education for pupils of different abilities between the ages of 4 and 11.

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FOR THE YEAR ENDED 31 AUGUST 2017

In accordance with the Funding Agreement made under section 482 of the Education Act 1996, as substituted by the Education Act 2002, between the Secretary of State for Children, Schools and Families and the Trust, all our schools are governed by Local Governing Bodies which exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the academies. The Funding Agreement specifies the admission arrangements, amongst other things, and that the curriculum, in substance, complies with statutory requirements.

Aims and Mission

The vision of the Trust is:

St Mary's Academy Trust is a family of schools founded upon our key values, delivering educational excellence in order that each child thrives within our safe and nurturing environment.

This is underpinned by the values and beliefs through which we operate:

Educational Excellence is delivered through a broad and challenging curriculum which feeds the children's aspirations, ensuring that they leave us with an embedded life-long thirst for learning and the tools to maximise their future potential.

Care is at the forefront of everything we do. Within SMAT we care by protecting and nurturing children, supporting parents and families, developing staff and maintaining an active role within the Community.

Collaboration is fundamental to our success as we acknowledge the ever increasing wealth of experience, best practice and skill within St. Mary's Trust and ensure it is applied for the benefit of all. We identify ways to continually expand our links with the Community to provide new sources of skills and opportunity.

Integrity and Respect, underpinned by our Christian Values, are embodied in our ethos. Our staff, children and parents are treated considerately, fairly and consistently; always with due concern for their individual cultural, emotional and religious background.

Robust Governance systems which ensure that responsibilities are clear, allow us to challenge, evaluate and warrant that all funds and resources are applied in a manner which optimises value for money. Building a strong, sustainable, self-evaluating and evolving business foundation, transparently disseminating public funds for the benefit of our children, today and the foreseeable future

Compliance statement

We acknowledge, as Trustees, that the Trust has complied with the Charity Commission's public benefit requirements during the period.

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

Strategic Report

Achievement

Summer 2017 outcomes for each of the Trust's schools, together with the total Trust outcomes and comparisons to National and Barnsley Local Authority are as follows:

Key Stage 2:

R/W/M combined () = school comparison + or - from 2016	National 2017	Barnsley 2017	ASA (17 pupils)	Darton (39 pupils)	QRA (26 pupils)	Royston St Johns (25 pupils)	St Marys (34 pupils)	The Mill (25 pupils)	West Meadows (30 pupils)	Trust Average 2017 (196 pupils)
At expected standard+ RWM combined	61%	59%	76% (+38)	62% (-9)	35% (-20)	56% (+13)	68% (+7)	60% (+6)	67% (+20)	61% (+7)
Above expected standard in RWM combined	9%	7%	6% (+6)	18% (+6)	4% (+4)	8% (+3)	18% (+8)	4% (=)	7% (=)	9% (+3)

Reading () = school comparison + or - from 2016	National 2017	Barnsley 2017	ASA (17 pupils)	Darton (39 pupils)	QRA (26 pupils)	Royston St Johns (25 pupils)	St Marys (34 pupils)	The Mill (25 pupils)	West Meadows (30 pupils)	Trust Average 2017 (196 pupils)
% at expected standard+	71%	68%	76% (+33)	74% (-4)	69% (+10)	72% (+13)	71% (+6)	64% (+10)	70% (+13)	71% (+10)
% working at greater depth	25%	18%	12% (+7)	21% (-3)	23% (+5)	20% (+6)	24% (+1)	8% (+1)	13% (+3)	17% (+2)
Average scaled score for reading	104	103	104	104	102	102	105	100	102	103 (+2)
Progress score		-0.4	+2.3	+1.0	+2.4	-0.7	-1.1	-1.1	-1.8	+0.1

Writing () = school comparison + or - from 2016	National 2017	Barnsley 2017	ASA (17 pupils)	Darton (39 pupils)	QRA (26 pupils)	Royston St Johns (25 pupils)	St Marys (34 pupils)	The Mill (25 pupils)	West Meadows (30 pupils)	Trust Average 2017 (196 pupils)
% at expected standard+	76%	76%	82% (+20)	100% (+17)	65% (+6)	84% (+25)	94% (+13)	76% (+1)	83% (+10)	83% (+12)
% working at greater depth	18%	17%	35% (+30)	36% (+21)	8% (+8)	16% (+8)	26% (=)	36% (+4)	23% (+10)	26% (+11)
Progress score		+0.4	+4.7	+5.4	+1.5	+2.3	+2.1	+4.9	+0.6	+3.1

Maths () = school comparison + or - from 2016	National 2017	Barnsley 2017	ASA (17 pupils)	Darton (39 pupils)	QRA (26 pupils)	Royston St Johns (25 pupils)	St Marys (34 pupils)	The Mill (25 pupils)	West Meadows (30 pupils)	Trust Average 2017 (196 pupils)
% at expected standard+	75%	74%	88% (+7)	74% (-6)	38% (-26)	56% (+2)	85% (-5)	84% (+9)	83% (+10)	73% (-1)
% working at greater depth	23%	19%	18% (+4)	31% (+11)	8% (-10)	16% (-8)	26% (-13)	12% (-6)	23% (+13)	19% (-2)
Average scaled score for maths	104	104	106	105	98	101	104	102	104	103 (=)
Progress score		+0.3	+4.0	+1.3	-1.8	-1.8	-0.6	+1.5	+0.4	+0.4

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GPS () = school comparison + or - from 2016	National 2017	Barnsley 2017	ASA (17 pupils)	Darton (39 pupils)	QRA (26 pupils)	Royston St Johns (25 pupils)	St Marys (34 pupils)	The Mill (25 pupils)	West Meadows (30 pupils)	Trust Average 2017 (196 pupils)
% at expected standard+	77%	75%	82% (+20)	85% (=)	77% (+13)	72% (-6)	85% (+4)	80% (+9)	83% (+20)	81% (+7)
% working at greater depth	31%	26%	41% (+31)	28% (-13)	31% (-14)	12% (-10)	26% (-6)	16% (-16)	40% (+17)	28% (-2)
Average scaled score for GPS	106	105	108	106	104	104	107	104	105	105 (+1)

Key Stage 1:

R/W/M combined () = school comparison + or - from 2016	National 2017	Barnsley 2017	ASA (29 pupils)	Darton (36 pupils)	QRA (31 pupils)	Royston St Johns (36 pupils)	St Marys (30 pupils)	The Mill (30 pupils)	West Meadows (28 pupils)	Trust Average 2017 (220 pupils)
At expected standard+ RWM combined	64%	63%	59% (+9)	83% (+7)	63% (+46)	62% (+16)	70% (=)	77% (+7)	43% (-30)	65% (+12)

Reading () = school comparison + or - from 2016	National 2017	Barnsley 2017	ASA (29 pupils)	Darton (36 pupils)	QRA (31 pupils)	Royston St Johns (36 pupils)	St Marys (30 pupils)	The Mill (30 pupils)	West Meadows (28 pupils)	Trust Average 2017 (220 pupils)
% at expected standard+	76%	73%	73% (+5)	88% (+4)	73% (+35)	68% (+28)	77% (=)	87% (+10)	54% (-19)	74% (+12)
% working at greater depth	25%	20%	21% (-5)	33% (-2)	30% (+21)	26% (+12)	37% (-3)	27% (+7)	18% (+1)	27% (+4)
Average scaled score for reading			90	105	93	100	93	93	93	95

Writing () = school comparison + or - from 2016	National 2017	Barnsley 2017	ASA (29 pupils)	Darton (36 pupils)	QRA (31 pupils)	Royston St Johns (36 pupils)	St Marys (30 pupils)	The Mill (30 pupils)	West Meadows (28 pupils)	Trust Average 2017 (220 pupils)
% at expected standard+	68%	67%	66% (+2)	83% (+5)	67% (+46)	65% (+14)	77% (+7)	80% (+3)	50% (-33)	70% (+11)
% working at greater depth	16%	14%	7% (-18)	33% (-5)	17% (+14)	21% (+16)	30% (+3)	20% (+3)	7% (-6)	19% (+2)

Maths () = school comparison + or - from 2016	National 2017	Barnsley 2017	ASA (29 pupils)	Darton (36 pupils)	QRA (31 pupils)	Royston St Johns (36 pupils)	St Marys (30 pupils)	The Mill (30 pupils)	West Meadows (28 pupils)	Trust Average 2017 (220 pupils)
% at expected standard+	75%	74%	73% (-2)	92% (+6)	73% (+32)	74% (+14)	73% (+22)	83% (+6)	50% (-30)	74% (+7)
% working at greater depth	21%	18%	14% (+14)	36% (+14)	30% (+30)	27% (+27)	30% (+9)	20% (=)	11% (-6)	24% (+13)
Average scaled score for maths			97	106	103	103	93	103	103	103

Year 1: Phonics () = school comparison + or - from 2016	National 2017	Barnsley 2017	ASA (30 pupils)	Darton (39 pupils)	QRA (29 pupils)	Royston St Johns (36 pupils)	St Marys (28 pupils)	The Mill (30 pupils)	West Meadows (30 pupils)	Trust Average 2017 (252 pupils)
Working AT	81% (2016 Nat)	78%	75% (+5)	90% (+3)	62% (-9)	78% (+11)	79% (+4)	97% (-3)	80% (+13)	80% (+4)

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Year 2: Phonics () = school comparison + or - from 2016	National 2017	Barnsley 2017	ASA (7 pupils)	Darton (5 pupils)	QRA (9 pupils)	Royston St Johns (14 pupils)	St Marys (5 pupils)	The Mill (1 pupils)	West Meadows (10 pupils)	Trust Average 2017 (51 pupils)
% of Y2 retakes now working AT	67% (2016 Nat)	59%	86% (+6)	80% (-15)	67% (+3)	79% (+41)	20% (-60)	100% (+25)	20% (-30)	65% (-24)

Foundation Stage

Expected + () = school comparison + or - from 2016	National 2017	ASA (22 pupils)	Darton (41 pupils)	QRA (27 pupils)	Royston St Johns (30 pupils)	St Mary's (31 pupils)	The Mill (30 pupils)	West Meadows (30 pupils)	Trust Average 2017 (211 pupils)
GLD	71%	50% (-6)	78% (+5)	63% (+6)	63% (+5)	77% (+10)	76% (+4)	65% (-1)	67% (+3)
Reading	77% (2016 Nat)	55% (-1)	78% (=)	63% (+6)	63% (-7)	77% (+4)	80% (+4)	71% (+5)	70% (+2)
Writing	73% (2016 Nat)	50% (-6)	78% (+2)	63% (+6)	70% (+9)	77% (+10)	76% (+4)	68% (+2)	69% (+4)
Number	79% (2016 Nat)	59% (-19)	78% (+3)	63% (-1)	73% (=)	77% (+4)	83% (+7)	71% (+5)	72% (=)
Share space and measures	82% (2016 Nat)	59% (-11)	80% (=)	63% (-1)	73% (+6)	77% (+7)	86% (+10)	74% (+5)	73% (+2)
Literacy	72% (2016 Nat)	50% (-2)	78% (+5)	63% (+6)	67% (+6)	77% (+10)	76% (+4)	68% (+2)	68% (+4)
Maths	77% (2016 Nat)	59% (-15)	79% (+4)	63% (-1)	73% (+6)	77% (+10)	83% (+7)	71% (+5)	72% (+2)

Exceeding () = school comparison + or - from 2016	ASA (22 pupils)	Darton (41 pupils)	QRA (27 pupils)	Royston St Johns (30 pupils)	St Mary's (31 pupils)	The Mill (30 pupils)	West Meadows (30 pupils)	Trust Average 2017 (211 pupils)
Reading	5% (+1)	20% (-4)	11% (+7)	7% (-2)	26% (+16)	13% (-1)	19% (-1)	14% (-2)
Writing	0% (-4)	17% (-3)	7% (+7)	3% (+3)	23% (+20)	0% (-10)	0% (-3)	14% (+8)
Number	5% (+5)	20% (+13)	15% (+15)	13% (+13)	26% (+19)	20% (+3)	6% (-3)	15% (+10)
Share space and measures	0% (=)	17% (+7)	11% (+11)	3% (+3)	26% (+19)	20% (+3)	3% (=)	11% (+6)
Literacy	0% (-4)	37% (+25)	11% (+11)	5% (+5)	23% (+20)	0% (-10)	0% (-3)	11% (+6)
Maths	0% (=)	18% (+11)	7% (+7)	8% (+8)	26% (+19)	13% (-4)	3% (=)	11% (+6)

The Quality of Teaching and Learning

St. Mary's Academy Trust carries out at least two internal audits of teaching and learning each academic year. The quality of teaching across the Trust is currently judged as 'Good'. Three of our schools were inspected last year with each being judged as Good.

Darton Primary moved from Requires Improvement to Good

West Meadows remained at Good

The Mill Academy moved from Special Measures to Good (with Outstanding elements).

The core educational support team has been strengthened for 2016/17. The Trust currently employs three Lead Practitioners, two full time positions and one part time Early Years Foundation Stage Lead Practitioner, who has been seconded to work for the Trust one day per week from The Mill Academy. The Lead Practitioners provide tailored support to all seven Academies across the Trust, including developing middle leadership; providing coaching support to individual teachers to raise standards; and leading CPD training both across the Trust and within individual academies.

The educational team have developed a comprehensive educational training programme for 2016/17 which focuses on the key strategic improvement priorities across the Trust. This training programme includes a personalised programme of support for our Newly Qualified Teachers ("NQTs"); a series of CPD workshops focusing on developing the teaching of reading; and middle leadership development network meetings. The Trust also continues to work with Barnsley Teaching School Alliance and Sheffield Hallam University to deliver the Initial Teacher Training ("ITT") Programme.

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FOR THE YEAR ENDED 31 AUGUST 2017

Financial and risk management objectives and policies

As a Trust funded directly by the ESFA funding streams are considered to be reasonably safe and secure. The main financial risk arises from possible changes in Government policy and funding levels. The Trustees have developed a risk management strategy which is being managed and will be kept under continual review during 2017/18. Operational risk registers have been developed at Academy level with the Head teachers and will be reviewed by the Local Governing Bodies during 2017/18.

Principal risks and uncertainties

The Trust has recently reviewed and amended its assessment system; managing this change is key for the Head teachers during 2017/18.

The phased in approach to the National Funding Formula puts continued pressure on schools. It is proposed the new formula will benefit the schools within the Trust; however the delay in implementation places further importance on the need for robust financial planning.

Financial Review

This year's financial statements include a prior year adjustment to remove from the Academy Trust's balance sheet the land & buildings relating to church school premises that are now deemed to be under the control of the Diocese. This prior year adjustment follows updated guidance included in the 2016/17 Academies Accounts Direction which clarifies the treatment of church school premises. In particular, where the Diocese has control over access and control over works, those assets should not be included in the Academy Trust's balance sheet. As a result of this updated guidance, a prior year adjustment has been included in this year's financial statements to remove from the Trust's balance sheet land and buildings with a previously reported net book value of £4,267,583 at 31 August 2016 (2015: £2,553,328). As a result of this adjustment, the comparative balance sheet which showed net funds of £8,873,467 at 31 August 2016 in last year's financial statements has been restated and reduced by £4,267,582 to show net funds of £4,605,885. Further details of this prior year adjustment are included at note 19 to the financial statements.

The majority of the Trust's income for the period was obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants from the ESFA and from other government bodies. In accordance with SORP 2015 such grants are shown in the Statement of Financial Activities as restricted income.

During the year ended 31 August 2017 incoming resources increased by £405k to £8,454k (2016: £8,049k) reflecting the full year impact of a new academy which joined the Trust midway through the previous year. Resources expended increased by £687k from £8,284k to £8,971k, again due to the full year impact of last year's new academy. Net expenditure totalled £517k (2016: £235k).

The actuarial gain for the year on the Local Government Pension Scheme (LGPS) was £631k (2016: loss of £1,971k) reflecting the partial recovery of corporate bond yields this year after their collapse last year following the Brexit vote of 23 June 2016 and which resulted in last year's large actuarial loss.. In total, the net increase in funds during the year was therefore £114k (2016: £2,206k decrease).

At 31 August 2017 the Trust's total funds had increased by £114k to £4,720k (2016: £4,606k restated comprising fixed assets of £8,516k (2016: £8,456k), net current assets of £922k (2016: £1,263k) including bank balances of £797k (2016: £1,187k), and a pension scheme liability of £4,718k (2016: £5,113k).

The Trust's LGPS deficit is a significant issue shared by the whole academy schools sector. Based on initial actuarial advice following conversion to academy status, the pension deficit is being eliminated by additional LGPS pension contributions over an agreed period of 20 years. These additional contributions could be required to increase in future years, although no increases have yet been notified by the actuary. This is a very significant issue facing the Trust in future years, in common with the rest of the academy schools sector.

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Reserves Policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trust's "free reserves" are its funds after excluding restricted funds. "Free reserves" are therefore the resources the Trust has or can make available to spend for any or all of the Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Trust which is to be spent at the Trustees' discretion in furtherance of any of the Trust's objects but which is not yet spent, committed or designated. The Trust's current level of free reserves is £526,062 (2016: £526,062) which is included within bank balances of £797,493 (2016: £1,187,342) and so which are adequate to cover any immediate call on reserves.

Demands on the Trust's reserves will vary over the coming years. The Board will develop a long term policy to ensure there is sufficient working capital and reserves to cover potential contingencies. The level of reserves will be monitored throughout the year and any potential issues will be dealt with appropriately. Any surplus balances will be used to maximise the potential for all the member academies.

Investment Policy

The Trustees have determined that all cash balances shall be held in interest earning reserve accounts and drawn into current accounts as and when needed to meet operational expenses.

The Trust will review its investment policy when reserves have grown sufficiently to warrant further investment consideration.

Plans for Future Periods

The Trust now feels in a position to explore growth opportunities. Any potential opportunities have to be viewed alongside the needs of our current schools. The growth strategy will be reviewed by the Board in Spring 2017.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Funds Held As Custodian

The Academy Trust does not hold any funds as custodian trustee for other persons or organisations.

Auditor

Harris & Co Limited are deemed to be re appointed under section 487(2) of the Companies Act 2006.

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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, incorporating the Strategic report, was approved by order of the board of trustees, as the company directors, on 19 December 2017 and signed on the board's behalf by:



S Cook, Chair
Chair of Trustees

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that St Mary's 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 local governing bodies and board of trustees have delegated the day-to-day responsibility to the 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 Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the local governing bodies and 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 local governing bodies and board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the local governing bodies and board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Cook, Chair	5	5
C Ramskill	3	5
L Spencer	2	2
P Howarth	1	4
R Marsh	1	1
S Williams	5	5
M Liddle	1	5
M Daws	4	5
L Wylie	4	5
T Rodger	4	4
T Gulliver	2	3

The board of trustees also take the role of the finance committee by covering all financial matters in the main board meetings.

The Audit Committee is a sub-committee of the main board of trustees. Its purpose is to advise the Trust Board on the adequacy and effectiveness of the Trust's systems of internal control, its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money). The Committee has addressed the need for a new internal control framework and is challenging where this is not fully implemented. Following both internal and external audits further improvements to the control framework continue to be made. The implementation of the new finance system during 2015/16 has continued to result in significant improvements in the management of the financial processes throughout the Trust and its schools.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Cook	2	2
C Ramskill	2	2

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

The Accounting Officer has responsibility for ensuring that the trust 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 trust's use of its resources has provided good value for money during each academic year, and reports to the local governing bodies and board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the trust sets out below how they have ensured that the Academy Trust's use of its resources has provided good value for money during the academic year:

St Mary's Academy Trust implemented a new financial system with predominately a centralised finance function in April 2016 which has resulted in significant improvements in processes and reporting functionality.

Regular monitoring is undertaken and reported to the Local Governing Bodies. The focus for 2017/18 will be to provide consolidated reports to the Finance Committee to further improve efficiencies and look to implement additional preferred suppliers to benefit the academies.

Internal audits are undertaken annually at each academy by the internal auditor and a second audit is completed by the Trust's central team. The Trust continues to make improvements to the internal control framework and to provide challenge where processes are not being followed

The Trust benefits from economies of scale in some areas. Examples of this include;

- ICT replacements
- procurement of buildings insurance;
- bringing building cleaning in house;
- legal support with a Trust wide contract with one contact point saving both time and cost.

The Trust will look to deliver further efficiencies during the next academic year using the new finance system; this will include a review of the photocopier contract, review of the school meals provision and further IT investment but with substantial economies of scale savings.

The Trust has been successful in bidding for funds to improve the school buildings including schemes at St Marys Primary, the Mill Academy and Royston St Johns. The Trust regularly applies for grants to improve the fabric of all its buildings and this will continue next year for all the Trust schools.

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 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 Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

The 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 local governing bodies and board of trustees;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Audit Committee acknowledge that the internal control framework has seen improvements since the new finance system was implemented. The system is now fully embedded however the Audit Committee will continue to strive for further improvements following recommendations from internal audit.

REVIEW OF EFFECTIVENESS

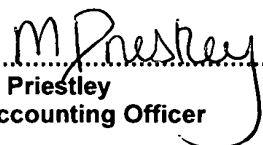
As Accounting Officer, the Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal audits;
- the work of the external auditors;
- the work of the finance officer and of the Audit Committee.

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

Approved by order of the members of the local governing bodies and board of trustees on 19 December 2017 and signed on their behalf, by:


.....
S Cook
Chair of Trustees


.....
M Priestley
Accounting Officer

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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


.....
M Priestley
Accounting Officer

Date: 19 December 2017

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

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

The Trustees (who act as directors of St Mary's Academy Trust) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the local governing bodies and board of trustees on 19 December 2017 and signed on its behalf by:


.....
S Cook
Chair of Trustees

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MARY'S ACADEMY TRUST

OPINION

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

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

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MARY'S ACADEMY TRUST

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MARY'S ACADEMY TRUST

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Paul Hinchliffe BA FCA (Senior statutory auditor)

for and on behalf of

Harris & Co Limited

Chartered Accountants
Registered Auditors

Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Date: 19 December 2017

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST MARY'S
ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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

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

**RESPECTIVE RESPONSIBILITIES OF ST MARY'S ACADEMY TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

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

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

APPROACH

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

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

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

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

- 1) consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- 2) evaluation of the general control environment of the Academy Trust;
- 3) assessment and testing of a sample of the specific control activities over regularity of a particular activity;
- 4) consideration of whether the activity is permissible within the Academy Trust's framework of authorities.

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST MARY'S
ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Harris & Co

Harris & Co Limited

Chartered Accountants
Reporting Accountant

Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Date: *19 December 2017*

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds as restated 2016 £
INCOME FROM:						
Donations and capital grants	2	2,965	-	240,858	243,823	366,219
Charitable activities	5	215,615	7,875,052	-	8,090,667	7,725,791
Other trading activities	3	115,833	-	-	115,833	114,813
Investments	4	4,110	-	-	4,110	3,189
Assets transferred on conversion		-	-	-	-	(160,895)
TOTAL INCOME		338,523	7,875,052	240,858	8,454,433	8,049,117
EXPENDITURE ON:						
Charitable activities		325,143	8,373,461	272,441	8,971,045	8,284,073
TOTAL EXPENDITURE	7	325,143	8,373,461	272,441	8,971,045	8,284,073
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	20	13,380 (13,380)	(498,409) 194,272	(31,583) (180,892)	(516,612) -	(234,956) -
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		-	(304,137)	(212,475)	(516,612)	(234,956)
Actuarial gains/(losses) on defined benefit pension schemes	25	-	631,000	-	631,000	(1,971,000)
NET MOVEMENT IN FUNDS		-	326,863	(212,475)	114,388	(2,205,956)
RECONCILIATION OF FUNDS:						
Total funds brought forward		526,062	(4,914,350)	8,994,173	4,605,885	6,811,841
TOTAL FUNDS CARRIED FORWARD		526,062	(4,587,487)	8,781,698	4,720,273	4,605,885

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07917752

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	2016 as restated £
FIXED ASSETS				
Intangible assets	14		9,987	19,975
Tangible assets	15		8,506,213	8,436,054
			<u>8,516,200</u>	<u>8,456,029</u>
CURRENT ASSETS				
Stocks	16	300		300
Debtors	17	623,186		627,411
Cash at bank and in hand		797,493		1,187,342
			<u>1,420,979</u>	<u>1,815,053</u>
CREDITORS: amounts falling due within one year	18	(498,906)		(552,197)
NET CURRENT ASSETS			<u>922,073</u>	<u>1,262,856</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,438,273</u>	<u>9,718,885</u>
Defined benefit pension scheme liability	25		<u>(4,718,000)</u>	<u>(5,113,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>4,720,273</u></u>	<u><u>4,605,885</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	20	130,513		198,650
Restricted fixed asset funds	20	8,781,698		8,994,173
Restricted income funds excluding pension liability		8,912,211		9,192,823
Pension reserve		<u>(4,718,000)</u>		<u>(5,113,000)</u>
Total restricted income funds			<u>4,194,211</u>	<u>4,079,823</u>
Unrestricted income funds	20		<u>526,062</u>	<u>526,062</u>
TOTAL FUNDS			<u><u>4,720,273</u></u>	<u><u>4,605,885</u></u>

The financial statements on pages 22 to 50 were approved by the Trustees, and authorised for issue, on 19 December 2017 and are signed on their behalf, by:

.....
S Cook, Chair
Chair of Trustees

ST MARY'S ACADEMY TRUST
(A company limited by guarantee).

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 as restated £
Cash flows from operating activities			
Net cash used in operating activities	22	<u>(302,207)</u>	<u>(149,615)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		4,112	3,238
Purchase of tangible fixed assets		(332,612)	(45,668)
Capital grants from DfE/ESFA		240,858	358,897
Purchase of intangible assets		-	(29,963)
Net cash (used in)/provided by investing activities		<u>(87,642)</u>	<u>286,504</u>
Cash transferred on conversion to academy trust		-	108,266
Net cash provided by conversion to academy trust		-	108,266
Change in cash and cash equivalents in the year		<u>(389,849)</u>	<u>245,155</u>
Cash and cash equivalents brought forward		1,187,342	942,187
Cash and cash equivalents carried forward		<u><u>797,493</u></u>	<u><u>1,187,342</u></u>

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

St Mary's Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust 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 Education and Skills Funding Agency.

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

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy Trust 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 Trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

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

1.6 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Software	-	Straight line over 3 years
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ST MARY'S ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

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

Three of the school premises which the Academy Trust occupies are on a long term lease to the Academy Trust from the Local Authority and from the Diocese. The part of the sites that are leased from the Local Authority are purely land and have been recognised on the balance sheet of the Academy Trust at the depreciated replacement cost valuation on the conversion date. Control over the parts of the school premises leased from the Diocese remain with the Diocese and so those elements are not recognised on the balance of the Academy Trust. This treatment has led to a prior year adjustment, the details of which can be found at note 19.

For church school premises that are not on the balance sheet the Accounts Direction requires that an annual donation for rent should be recognised equal to what the Academy Trust would have to pay to secure premises, if such a figure can be reliably measured. Since there is no open market for such transactions this amount can not be reliably measured and so no donation has been recognised.

Four of the school premises which the Academy Trust occupies are leased from the Local Authority only, and the treatment of these premises remain unchanged.

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. 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	-	Straight line over 30, 45 and 50 years (10 years for improvements)
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	Straight line over 3 years

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.

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

1. ACCOUNTING POLICIES (continued)

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 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.11 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.

1.12 Cash at Bank and in hand

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

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 25, 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.

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

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.

1.14 Liabilities and provisions

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

1.15 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

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

1. ACCOUNTING POLICIES (continued)

1.16 Private finance initiative

Queens Road Academy and Darton Primary School were originally built under a PFI contract by a PFI contractor on behalf of BMBC where the responsibility for making available the land & buildings needed to provide the services passed to the PFI contractor.

As BMBC was originally deemed to control the services provided under its PFI schemes and as ownership of the land & buildings would pass to BMBC at the end of the contracts for no additional charge, BMBC originally carried those assets used in delivering the services on its own balance sheet. On transfer of those assets from BMBC to the Trust, BMBC derecognised those assets from its balance sheet as disposals for nil consideration. Following those transfers, since the substance of the PFI agreement is now similar for the Trust as previously for BMBC and to ensure consistency of accounting treatment between BMBC and the Trust, those assets are treated as acquired from BMBC on conversion to academy status and recorded at fair value at date of acquisition in the Trust accounts.

Notwithstanding the de-recognition / disposal of the assets, BMBC has retained as a finance lease liability its total obligation to the contractor under these PFI agreements. In order to ensure consistency of accounting treatment between BMBC and the Trust payments made by the Trust to BMBC or the contractor in respect of these agreements are therefore treated as operating lease payments. These payments represent annual charges under the PFI agreement which are subject to a fixed formula but will vary over time; therefore the annual charges are expensed to the Statement of Financial Activities in the year to which they relate as this treatment is considered to be more appropriate than recognition on a straight line basis.

1.17 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

A critical area of judgement is the treatment of the church school premises, the treatment of which is as stated in accounting policy 1.7.

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds as restated 2016 £
Donations	2,965	-	-	2,965	7,322
Capital Grants	-	-	236,366	236,366	358,897
Government grants	-	-	4,492	4,492	-
	<u>2,965</u>	<u>-</u>	<u>240,858</u>	<u>243,823</u>	<u>366,219</u>
<i>Total 2016</i>	<u>7,322</u>	<u>-</u>	<u>358,897</u>	<u>366,219</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds as restated 2016 £
Income from services	4,763	-	4,763	4,695
Other	111,070	-	111,070	110,118
	<u>115,833</u>	<u>-</u>	<u>115,833</u>	<u>114,813</u>
<i>Total 2016</i>	<u>114,813</u>	<u>-</u>	<u>114,813</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds as restated 2016 £
Investment income - bank interest	4,110	-	4,110	3,189
	<u>4,110</u>	<u>-</u>	<u>4,110</u>	
<i>Total 2016</i>	<u>3,190</u>	<u>-</u>	<u>3,190</u>	

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

5. FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds as restated 2016 £</i>
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,249,554	6,249,554	5,772,905
Start up grants	-	-	-	24,997
Pupil premium	-	640,342	640,342	617,406
Universal Infant Free School Meals	-	188,786	188,786	178,441
PFI grant	-	258,478	258,478	250,949
Sports grant	-	62,590	62,590	57,239
	-	7,399,750	7,399,750	6,901,937
Other government grants				
High needs funding	-	144,759	144,759	151,622
Early years funding	-	330,543	330,543	453,071
Other LA funding	-	-	-	17,466
	-	475,302	475,302	622,159
Other funding				
Catering income	150,953	-	150,953	124,606
Visits and trip income	58,077	-	58,077	49,551
Music tuition fees	6,585	-	6,585	7,924
Awards For All	-	-	-	19,614
	215,615	-	215,615	201,695
	215,615	7,875,052	8,090,667	7,725,791
Total 2016	201,695	7,524,096	7,725,791	

There are no unfulfilled conditions at the year end with regards to the amounts included in the above government grants.

6. CHARITABLE ACTIVITIES

	2017 £	2016 as restated £
Direct costs - educational operations	6,332,631	5,893,706
Support costs - educational operations	2,638,413	2,390,367
Total	8,971,044	8,284,073

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

ANALYSIS OF SUPPORT COSTS

	Boarding £	Educational Operations £	Total 2017 £	Total 2016 as restated £
Support staff costs	-	806,834	806,834	632,009
Depreciation	-	23,906	23,906	27,230
Technology costs	-	120,048	120,048	96,038
Premises costs	-	1,012,653	1,012,653	814,774
Other support costs	-	594,773	594,773	680,237
Governance costs	-	80,199	80,199	140,079
Total	-	2,638,413	2,638,413	2,390,367

All of the support costs in 2016 related to Educational Operations.

7. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 as restated £
Educational operations:					
Direct costs	5,559,933	-	772,698	6,332,631	5,893,706
Support costs	854,196	1,012,653	771,565	2,638,414	2,390,367
	6,414,129	1,012,653	1,544,263	8,971,045	8,284,073
Total 2016	5,746,057	814,774	1,723,242	8,284,073	

In 2016, of the total expenditure, £344,041 was to unrestricted funds and £7,940,032 was to restricted funds.

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 as restated £
Educational operations	6,332,631	2,638,414	8,971,045	8,284,073
Total 2016	5,893,706	2,390,367	8,284,073	

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

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 as restated £
Depreciation of tangible fixed assets:		
- owned by the charity	272,441	249,195
Amortisation of intangible fixed assets	9,988	9,988
Auditors' remuneration - audit	21,000	25,000
Auditors' remuneration - other services	2,500	2,500
Operating lease rentals	504,760	487,260
	<u> </u>	<u> </u>

Operating leases includes £435,333 (2016: £423,450) PFI charges, of which £258,478 (2016: £250,949) is reimbursed by the ESFA as PFI affordability gap income (note 5).

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

10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,732,455	4,366,423
Social security costs	381,518	303,970
Operating costs of defined benefit pension schemes	1,009,184	773,192
	<u>6,123,157</u>	<u>5,443,585</u>
Agency costs	183,465	182,362
Staff restructuring costs	1,507	12,110
Pension interest	106,000	108,000
	<u>6,414,129</u>	<u>5,746,057</u>

Included in social security costs is £3,734 (2016:£0) relating to the apprenticeship levy.

Staff restructuring costs comprise:

	2017 £	2016 £
Severance payments	<u>1,507</u>	<u>12,110</u>

There is one severance payment in 2017 of £1,507 (included in 2016 were three non-statutory/non-contractual severance payment totalling £12,110, being payments of £8,716, £1,911 and £1,483).

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

	2017 No.	2016 No.
Teachers	86	73
Teaching assistants	124	111
Administration and support	89	71
Management	9	9
	<u>308</u>	<u>264</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	68	64
Teaching assistants	93	80
Administration and support	37	32
Management	9	9
	<u>207</u>	<u>185</u>

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

10. STAFF COSTS (continued)

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	3	4

The above employees all had retirement benefits accruing under the defined benefit Teachers' Pension Scheme and Local Government Pension Scheme.

11. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- education support services and strategic guidance; and
- others as arising.

The Academy Trust charges for these services on the following basis as a flat percentage of school budget income varying from 5.5% to 6%.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
St Marys Primary School	54,795	39,370
All Saints Academy	63,399	45,720
Queens Road Academy	72,774	76,880
West Meadows Primary School	66,848	49,610
Darton Primary School	77,106	67,530
The Mill Academy	64,932	65,660
Royston St John Baptist C E Primary	62,433	30,130
	462,287	374,900
Total	462,287	374,900

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

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The 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:

		2017 £	2016 £
T Gulliver	Remuneration	25,000-30,000	
	Pension contributions paid	0-5,000	
L Spencer	Remuneration	30,000-35,000	60,000-65,000
	Pension contributions paid	5,000-10,000	10,000-15,000
R Marsh	Remuneration	30,000-35,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000

Please note that L Spencer resigned as a trustee on 28 February 2017 and T Gulliver was appointed as a trustee on 28 February 2017.

During the year ended 31 August 2017, expenses totalling £94 (2016 - £528) were reimbursed to 1 Trustee (2016 - 1).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim (reducing to £500,000 for employment/contractual matters) and the cost for the year ended 31 August 2017 was £2,858 (2016 - £2,971).

14. INTANGIBLE FIXED ASSETS

	Software £
Cost	
At 1 September 2016 and 31 August 2017	29,963
Amortisation	
At 1 September 2016	9,988
Charge for the year	9,988
At 31 August 2017	19,976
Carrying amount	
At 31 August 2017	9,987
At 31 August 2016	19,975

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

15. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	8,759,870	88,072	278,175	9,126,117
Additions	206,561	15,139	110,912	332,612
At 31 August 2017	<u>8,966,431</u>	<u>103,211</u>	<u>389,087</u>	<u>9,458,729</u>
Depreciation				
At 1 September 2016	438,182	40,971	210,910	690,063
Charge for the year	188,670	7,836	65,947	262,453
At 31 August 2017	<u>626,852</u>	<u>48,807</u>	<u>276,857</u>	<u>952,516</u>
Net book value				
At 31 August 2017	<u>8,339,579</u>	<u>54,404</u>	<u>112,230</u>	<u>8,506,213</u>
At 31 August 2016	<u>8,321,688</u>	<u>47,101</u>	<u>67,265</u>	<u>8,436,054</u>

Leasehold land and buildings includes land of £858,109 which is not depreciated. See accounting policy 1.7 for further information relating to the treatment of the church school premises.

16. STOCKS

	2017 £	2016 £
Sundry Items	<u>300</u>	<u>300</u>

17. DEBTORS

	2017 £	2016 £
Trade debtors	8,101	5,648
VAT	245,997	201,420
Other debtors	401	-
Prepayments and accrued income	368,687	420,343
	<u>623,186</u>	<u>627,411</u>

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

18. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	290,403	304,254
Other creditors	-	133
Accruals and deferred income	208,503	247,810
	<u>498,906</u>	<u>552,197</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	134,054	108,553
Resources deferred during the year	136,059	134,054
Amounts released from previous years	(134,054)	(108,553)
Deferred income at 31 August 2017	<u>136,059</u>	<u>134,054</u>

The main components of deferred income are monies collected prior to 31 August 2017 for 2017/18 academy trips (£21,676), universal infant free school meal funding received in July 2017 for September 2017 (£110,129) and other income (£4,704).

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

19. PRIOR YEAR ADJUSTMENT

The 2016/17 Academies Accounts Direction provided new guidance on the recognition criteria of church school premises. Under the new guidance the basis of recognition of church school premises depends on whether the Academy Trust's rights over the premises meet the definition of an asset, principally by having regard to whether the Diocese or the Academy Trust has control over access and control over works.

Following review of the underlying agreements with the Diocese in accordance with the new guidance, the Diocese rather than the Academy Trust is considered to have control of the three church school premises within the Trust. Therefore those parts of the church school premises are no longer held on the balance sheet of the Academy Trust. This represents a change in prior year treatment when the guidance in the previous Academies Accounts Direction resulted in the church school premises being on the Academy Trust's balance sheet.

A prior year adjustment has therefore been processed during the preparation of the 31 August 2017 accounts to remove the land and buildings and leasehold improvements of the church school premises with a previously reported value of £4,267,583 at 31 August 2016 (2015: £2,553,328) from the balance sheet. This had a corresponding impact on the Trust's previously reported total funds which were reduced by £4,267,583 at 31 August to £4,605,885 (previously reported £8,874,468).

The removal of these items has also impacted on the opening balance sheet of the comparative year (01 September 2015) as follows:

- 1) Cost of fixed assets brought forward reduced by £2,821,868;
- 2) Depreciation of fixed assets brought forward reduced by £268,540;
- 3) The following restricted fixed assets funds brought forward reduced by:-
Assets transferred on conversion by £2,094,427;
Capital expenditure from other funds by £458,901.

The removal of these items has impacted on the 31 August 2016 in year transactions reported in last year's accounts as follows:

- 1) Reduction in depreciation charges of £145,213;
- 2) Leasehold improvement additions of £81,079 reclassified as premises costs;
- 3) Land and buildings transferred on conversion (additions in year) reduced by £1,774,160;
- 4) Reserve transfer from the restricted general fund to the restricted fixed asset fund reduced by £85,315;
- 5) The carried forward reserves within the restricted fixed assets fund at 31 August 2016 have been restated as follows:
Assets transferred on conversion was £12,103,973, restated to £8,333,688;
Capital expenditure from other funds was £230,510, restated as £222,641;
DfE capital grants was £927,279, restated as £437,844.

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

20. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	526,062	338,523	(325,143)	(13,380)	-	526,062
Restricted funds						
General Annual Grant (GAG)	193,650	6,508,032	(6,770,441)	194,272	-	125,513
Other DfE grants	-	891,718	(891,718)	-	-	-
Other restricted	-	475,302	(475,302)	-	-	-
Conversion Grants	5,000	-	-	-	-	5,000
Pension reserve	(5,113,000)	-	(236,000)	-	631,000	(4,718,000)
	<u>(4,914,350)</u>	<u>7,875,052</u>	<u>(8,373,461)</u>	<u>194,272</u>	<u>631,000</u>	<u>(4,587,487)</u>
Restricted fixed asset funds						
DfE capital grants	437,844	236,366	(20,979)	(258,570)	-	394,661
Capital expenditure from other funds	222,641	-	(51,915)	77,678	-	248,404
Capital donations	-	4,492	(247)	-	-	4,245
Assets transferred on conversion	8,333,688	-	(199,300)	-	-	8,134,388
	<u>8,994,173</u>	<u>240,858</u>	<u>(272,441)</u>	<u>(180,892)</u>	<u>-</u>	<u>8,781,698</u>
Total restricted funds	<u>4,079,823</u>	<u>8,115,910</u>	<u>(8,645,902)</u>	<u>13,380</u>	<u>631,000</u>	<u>4,194,211</u>
Total of funds	<u>4,605,885</u>	<u>8,454,433</u>	<u>(8,971,045)</u>	<u>-</u>	<u>631,000</u>	<u>4,720,273</u>

STATEMENT OF FUNDS - PRIOR YEAR (as restated)

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds	451,873	418,231	(344,042)	-	-	526,062
	<u>451,873</u>	<u>418,231</u>	<u>(344,042)</u>	<u>-</u>	<u>-</u>	<u>526,062</u>

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

20. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	236,855	6,023,851	(6,012,061)	(54,995)	-	193,650
Other DfE grants	-	853,086	(853,086)	-	-	-
Other restricted	-	622,159	(711,702)	89,543	-	-
Conversion Grants	-	25,000	(20,000)	-	-	5,000
Pension reserve	(2,573,000)	(485,000)	(84,000)	-	(1,971,000)	(5,113,000)
	<u>(2,336,145)</u>	<u>7,039,096</u>	<u>(7,680,849)</u>	<u>34,548</u>	<u>(1,971,000)</u>	<u>(4,914,350)</u>

Restricted fixed asset funds

DfE capital grants	175,056	358,897	(19,278)	(76,831)	-	437,844
Capital expenditure from other funds	206,844	17,054	(43,540)	42,283	-	222,641
Assets transferred on conversion	8,314,213	215,840	(196,365)	-	-	8,333,688
	<u>8,696,113</u>	<u>591,791</u>	<u>(259,183)</u>	<u>(34,548)</u>	<u>-</u>	<u>8,994,173</u>
Total restricted funds	<u>6,359,968</u>	<u>7,630,887</u>	<u>(7,940,032)</u>	<u>-</u>	<u>(1,971,000)</u>	<u>4,079,823</u>
Total of funds	<u>6,811,841</u>	<u>8,049,118</u>	<u>(8,284,074)</u>	<u>-</u>	<u>(1,971,000)</u>	<u>4,605,885</u>

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

- 1) Restricted general funds must be used for the normal running costs of the Academy in line with the Master Funding Agreement and restrictions from other sources of funding. The transfer between restricted funds and restricted fixed asset funds relates to fixed assets purchased from GAG.
- 2) Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the Academy.

The restricted pension fund is in deficit to the value of £4,718,000 as at 31 August 2017, which is in excess of the unrestricted funds. However this deficit has been inherited upon conversion of the Trust's schools to Academy status together with movement on the actuarial valuation since conversion, and is being funded by additional contributions over periods up to 20 years following conversion. The trustees will continue to monitor this situation closely.

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 2017.

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

20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>Total 2016 £</i>
St Marys Primary School	175,333	192,809
All Saints Academy	69,441	84,519
Queens Road Academy	91,537	32,200
West Meadows Primary School	132,044	175,677
Darton Primary School	2,725	13,174
The Mill Academy	50,441	130,090
Royston St John Baptist C E Primary	45,480	56,321
Central services	89,574	39,922
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	656,575	724,712
Restricted fixed asset fund	8,781,698	8,994,173
Pension reserve	(4,718,000)	(5,113,000)
	<hr/>	<hr/>
Total	4,720,273	4,605,885
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ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	<i>Total 2016 as restated £</i>
St Marys Primary School	656,110	94,053	27,779	228,627	1,006,569	998,960
All Saints Academy	763,714	96,970	25,017	287,276	1,172,977	1,082,259
Queens Road Academy	777,745	56,120	27,152	331,574	1,192,591	1,182,394
West Meadows Primary School	829,269	108,887	41,019	242,156	1,221,331	1,251,376
Darton Primary School	804,247	52,516	32,418	391,747	1,280,928	1,292,503
The Mill Academy	846,679	106,568	31,334	219,038	1,203,619	1,171,506
Royston St John Baptist C E Primary	767,280	94,904	25,393	321,873	1,209,450	641,201
Central services	173,398	188,457	5,406	43,876	411,137	404,689
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,618,442	798,475	215,518	2,066,167	8,698,602	8,024,888
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	9,987	9,987
Tangible fixed assets	-	-	8,506,213	8,506,213
Current assets	560,428	595,052	265,498	1,420,978
Creditors due within one year	(34,366)	(464,539)	-	(498,905)
Provisions for liabilities and charges	-	(4,718,000)	-	(4,718,000)
	<u>526,062</u>	<u>(4,587,487)</u>	<u>8,781,698</u>	<u>4,720,273</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds as restated 2016 £
Intangible fixed assets	-	-	19,975	19,975
Tangible fixed assets	-	-	8,436,055	8,436,055
Current assets	552,217	707,732	555,104	1,815,053
Creditors due within one year	(26,155)	(509,082)	(16,961)	(552,198)
Provisions for liabilities and charges	-	(5,113,000)	-	(5,113,000)
	<u>526,062</u>	<u>(4,914,350)</u>	<u>8,994,173</u>	<u>4,605,885</u>

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

	2017 £	2016 as restated £
Net expenditure for the year (as per Statement of Financial Activities)	(516,612)	(234,956)
Adjustment for:		
Depreciation charges	262,453	249,145
Dividends, interest and rents from investments	(4,110)	(3,189)
Decrease in debtors	4,225	334,392
Decrease in creditors	(53,293)	(390,992)
Capital grants from DfE and other capital income	(240,858)	(358,897)
Defined benefit pension scheme obligation inherited	-	485,000
Amortisation charges	9,988	9,988
Cash impact of transfer on conversion	-	(108,266)
Transfer of fixed assets on conversion	-	(215,840)
FRS102 defined benefit adjustments	236,000	84,000
Net cash used in operating activities	<u>(302,207)</u>	<u>(149,615)</u>

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

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	797,493	1,187,342
Total	<u>797,493</u>	<u>1,187,342</u>

24. CAPITAL COMMITMENTS

At 31 August 2017 the Academy Trust had capital commitments as follows:

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

25. PENSION COMMITMENTS

The Academy Trust'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 South Yorkshire Pensions Authority. Both are Multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)

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

25. PENSION COMMITMENTS (continued)

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

The employer's pension costs paid to TPS in the period amounted to £422,710 (2016 - £407,676).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £568,710 (2016 - £510,695), of which employer's contributions totalled £456,123 (2016 - £411,034) and employees' contributions totalled £112,587 (2016 - £99,661). The agreed contribution rates for future years are 13.6% to 18.1% for employers and 5.5% to 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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	3.45 %	3.65 %
Rate of increase for pensions in payment / inflation	2.20 %	2.00 %
Inflation assumption (CPI)	2.20 %	1.90 %

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

	2017	2016
Retiring today		
Males	22.9	23
Females	25.7	25.7
Retiring in 20 years		
Males	25.1	25.4
Females	28	28.5

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

25. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	(190,000)	(181,000)
Discount rate -0.1%	190,000	181,000
Mortality assumption - 1 year increase	145,000	133,000
Mortality assumption - 1 year decrease	(145,000)	(133,000)
CPI rate +0.1%	197,000	160,000
CPI rate -0.1%	(197,000)	(160,000)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,056,000	1,523,000
Government bonds	466,000	391,000
Other bonds	231,000	161,000
Property	308,000	286,000
Cash and other liquid assets	67,000	46,000
Other	254,000	200,000
Total market value of assets	3,382,000	2,607,000

The actual return on scheme assets was £365,000 (2016 - £408,000).

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

	2017 £	2016 £
Current service cost	(671,000)	(373,000)
Interest income	63,000	75,000
Interest cost	(169,000)	(183,000)
Total	(777,000)	(481,000)
Actual return on scheme assets	365,000	408,000

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

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

	2017 £	2016 £
Opening defined benefit obligation	7,720,000	4,207,000
Current service cost	671,000	373,000
Interest cost	169,000	183,000
Employee contributions	113,000	96,000
Actuarial (gains)/losses	(548,000)	2,291,000
Liabilities assumed on conversion	-	657,000
Benefits paid	(25,000)	(87,000)
	<hr/>	<hr/>
Closing defined benefit obligation	8,100,000	7,720,000
	<hr/>	<hr/>

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

	2017 £	2016 £
Opening fair value of scheme assets	2,607,000	1,634,000
Upon conversion	-	172,000
Interest income	63,000	75,000
Actuarial gains/(losses)	83,000	320,000
Employer contributions	548,000	404,000
Employee contributions	113,000	96,000
Administration expenses	(7,000)	(7,000)
Benefits paid	(25,000)	(87,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	3,382,000	2,607,000
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26. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	445,758	440,896
Between 1 and 5 years	1,766,499	1,719,305
After more than 5 years	4,231,138	4,536,546
	<hr/>	<hr/>
Total	6,443,395	6,696,747
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The Trust receives funding from the EFA in relation to the land and buildings PFI lease commitment which amounts to £6,438,688 of the above lease commitment. The Trust expects to receive an annual amount from the EFA in relation to this agreement and in the year to 31 August 2018 the Trust expects the annual income to be £266,231 from the EFA.

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

27. 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.

28. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.