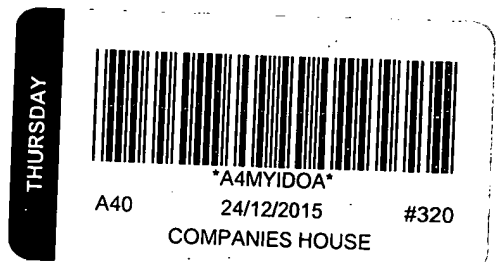


ST MARY'S ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015



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

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

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Trustees

S Cook, Chair
L Greenfield, Vice Chair
Fr P Duckworth (resigned 1 February 2015)
C Ramskill
C Lee (resigned 12 April 2015)
L Spencer
M Skiffington (resigned 1 September 2014)
R Hayward (resigned 1 July 2015)
A Nixon (resigned 30 September 2014)
P Howarth
M Grosse (appointed 30 September 2014, resigned 1 September 2015)
R Marsh (appointed 21 April 2015)
L Parkinson (appointed 1 July 2015)
S Williams (appointed 1 July 2015)
C Marsh (appointed 1 July 2015)
M Liddle (appointed 1 July 2015)

Members

A Nixon (resigned 30 September 2014)
C Booth
K Neville (resigned 1 June 2015)
H Ellam (resigned 1 June 2015)
Fr P Duckworth (resigned 1 June 2015)
C Ramskill (appointed 1 June 2015)
L Greenfield (appointed 1 June 2015)
S Cook (appointed 1 June 2015)
Fr S Race (appointed 1 June 2015)
Diocese of Wakefield Umbrella Trust (appointed 1 June 2015)
P Howarth (appointed 1 June 2015)

Company registered number

07917752

Registered office

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

Principal operating office

DBH Barnsley
Longfield Court
Middlewood Way
Wharnccliffe Business Park
Barnsley
S71 3GN

ST MARY'S ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Administrative details (continued)

Company secretary

Schofield Sweeney

Senior management team

C Lee, Executive Principal and Accounting Officer (until 12 April 2015)
R Marsh, Director of Teaching and Learning, Accounting Officer from April 2015
M Priestley, Director of Finance and Operations
L Spencer, Head of St Mary's Primary School
C Walls, Head of All Saints Academy
S Kaufman, Head of Queens Road Academy
M Marsh, Head of West Meadows Primary School
J Lancett, Head of Darton Primary School
T Gulliver, Head of The Mill Academy

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
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

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 2015. 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" as issued in March 2005 ("SORP 2005").

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

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 Funding Agency ("EFA"), 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 Directors 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 Directors shall be made up as follows:

- The Principal Officiating Minister of St Mary's Church Barnsley,
- The Executive Principal,
- Staff Directors appointed by the Governing body up to a maximum of one third of the total
- The chairs of each member academy Local Governing Body ("LGB") (up to a maximum of five),
- Two parent Directors chosen by parent members of each LGB who shall themselves have been elected by parents of the school,
- Up to 3 co opted Directors appointed with the permission of the Diocese of Wakefield.

The Board of Directors has appointed an LGB for each member academy which, for church schools, includes religious distinctiveness and which each has delegated powers to oversee the day to day running of that school.

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

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

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

All Directors 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 Directors and those delegated to the LGB or to Senior Management.

The Executive Principal was the Accounting Officer until April 2015, from April this role has been fulfilled by the Director of Teaching and Learning.

There has been natural movement of Directors at the end of the academic year and the Trust is currently identifying the skill set required for new directors before replacements are sought.

During 2014/15 the Trust commenced a top down review of governance and internal control frameworks throughout the organisation. The Trust has committed to changes to the governance model through the introduction of a committee structure towards the end of the academic year. The Terms of Reference for the committees have been agreed and are fully functional from September 2015. Further changes within the governance model together with organisational change will be fully embedded during the current academic year. This, working in tandem, with the new governance framework will enable the schools and the central office to run as one organisation and so drive efficiencies.

Risk Management

The Trust expanded by one additional school during 2014/15 with plans for another school to join during 2015/16. The main area of risk for the Trust continues to be 'reputational' risk. The Trust has seen changes to the Senior Management structure during 2014/15 in addition to working with a number of 'failing' schools; this created a period of uncertainty that had to be managed whilst still striving for improvements.

The introduction of a committee structure to strengthen governance together with changes to the internal control framework were introduced during the year and will be firmly embedded during this current academic year.

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 6 primary schools, these being, St Marys, All Saints, Queens Road, Darton Primary, West Meadows and The Mill to provide education for pupils of different abilities between the ages of 4 and 11.

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.

ST MARY'S ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Aims and Mission

The Trust believes that all pupils deserve the best education. Pupils should be enabled to follow the trust motto of "Learning to Live and Living to Learn". Our mission is to educate and inspire through the provision of outstanding primary schools, which understand and address the specific needs of our pupils, families and communities.

Our vision is to engage young people, their families and communities in learning; place an onus on academic success; increase aspirations; and provide outstanding teaching, support and care, all of which will be underpinned with the principles of care and nurture.

We will become a beacon of excellence for academic provision locally and nationally, providing our pupils with the increased opportunities that harness their potential, allowing them to excel in life and make a positive contribution to society.

Compliance statement

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

Strategic Report

Achievement

Improving outcomes in mathematics was a key focus for St. Mary's Academy Trust in 2014-15. Five of the six academies were inline or above National for level 4 in mathematics (87%) and there were significant improvements in attainment at 3 of the 6 Academies.

All Saints increased the percentage of pupils achieving the national standard of level 4 by 9% to 86% to meet National standards while the percentage of children achieving level 5 increased by 15% to 29%. Darton increased the percentage of pupils achieving level 4 by 5% to be inline with National; increased the percentage of children achieving a level 5 by 11% to 46% (above National) and increased the percentage of children achieving a level 6 by 3% to 11%. At West Meadows, there were significant improvements in the percentage of children achieving a level 4, from 77% to 87%, again meeting National. Additionally, St. Mary's maintained its previously high standards at level 4 and increased the percentage of pupils achieving a level 5 by 17% to 70% and the percentage of pupils achieving a level 6 increased by 3% to 18%. Despite these successes, the Trust recognises that further improvements must be made and 2015-16 will see a clear focus on improving standards of attainment and progress at Queens Road.

Two of the six Academies, Queens Road and The Mill, which joined the Trust on 1st September 2014, were below floor standards of 65% in 2015. The capacity of the educational improvement team has been strengthened from September 2015 with the recruitment of a Lead Practitioner for Teaching and Learning. This role has a clear focus on supporting the senior leadership team in these schools to improve standards of teaching and learning and outcomes for pupils.

Queens Road which converted to St. Mary's Academy Trust in 1st September 2013, was inspected by Ofsted on 22-23 April 2015. At the time of conversion, the school had been graded as 'Inadequate' in all areas of the Ofsted Framework (March 2012). In its recent inspection, the school was graded as 'Requires Improvement' for Overall Effectiveness, with Leadership and Management, Behaviour and Safety of pupils and Early years provision graded as 'Good'. As a result of both the quality of teaching and outcomes for pupils in 2015, the Trust have established a Performance and Standards Committee for Queens Road Academy to ensure rigorous accountability.

ST MARY'S ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Quality of teaching

The Trust carries out two internal audits of teaching and learning each academic year. The quality of teaching and learning is consistently good at 4 of the 6 Academies. In 2 of these academies there are examples of outstanding practice which are used across the Trust to support improvements in teaching and learning where practice is not good. Where teaching and learning is not good, the Trust has also provided support through the Director for Teaching and Learning, including running tailored INSET and CPD sessions and the implementation of personal support plans for individual teachers. In September 2015, a Lead Practitioner for teaching was also appointed with a focus on improving the practice of individual teachers and the development of middle leadership. The Trust has also appointed the services of an educational consultant to improve standards of teaching and learning in three EYFS settings across the Trust.

The Trust also participated the Initial Teacher Training (ITT) Programme from September 2014 with Barnsley Teaching School Alliance. Three of the five 2014-15 trainees were successfully employed across the Trust in September 2015. A further five ITTs are undertaking their training within the Trust in 2015-16. This allows the Trust to have a clear succession plan for teacher recruitment. In addition to this, the Trust runs its own annual training programme for Newly Qualified and Recently Qualified teachers in 2014-15 and this has continued in 2015-16.

All Academies have been set targets for the 2015-16 academic year that the quality of teaching be at least good in all years and rigorous and consistent performance management procedures have been implemented to ensure this.

Behaviour and Safety

St. Mary's Academy Trust conducts two internal Behaviour and Safety Audits annually in each of its academies. Behaviour and Safety of all academies is at least good. In particular, significant improvements have been made at Queens Road where behaviour and safety was judged as 'Good' by Ofsted in April 2015 (previously judged as 'Inadequate' as Pipers Grove Primary School in March 2012 before conversion).

Attendance at three of the Academies, St. Mary's (96.2%); West Meadows (96.1%) and Darton (96.3%) were inline with the National attendance figure of 96%. Persistent absentee rates were below National at All Saints, St. Mary's, West Meadows and Darton. Measures have been implemented at both The Mill and Queens Road to improve attendance and punctuality, including the employment or increase in services of Parent Support Advisors.

Across the Trust, termly network meetings for Special Educational Needs Co-ordinators (SENDCos) and Parent Support Advisor (PSAs) have been implemented for 2015-16 to share good practice and support improvements in all Academies.

Leadership and Management

St. Mary's Academy Trust have an established development programme for leadership and management at all levels within the Trust. For example, Trust wide training has been provided for all headteachers in identified areas of need including Human Resources, Performance Management and Early Years Foundation Stage. The Trust also recruited the services of an Educational Consultancy Company, CA Swift Consultancy Limited, from April 2015, to undertake development work with two headteachers across the Trust.

Financial and risk management objectives and policies

As a Trust funded directly by the EFA 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 Directors have developed a risk management strategy which is being managed and will be under continual review during 2015/16. Operational risk registers are being developed at Academy level and will be reviewed by the Local Governing Bodies.

ST MARY'S ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Principal risks and uncertainties

Changes to the governance and the internal control framework introduced in 2014/15 continue to be embedded. These result from the expansion of the trust and are an essential part of transitioning to become one organisation with the ability to drive out efficiencies through consistency and economies of scale. The risk identified in relation to these changes will be monitored regularly.

Financial Review

The majority of the Trust's income for the period was obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants from the EFA and from other government bodies. In accordance with SORP 2005 such grants are shown in the Statement of Financial Activities as restricted income.

During the year-ended 31 August 2015 incoming resources totalled £8,280k (2014: £10,999k) including assets and liabilities transferred from predecessor schools on converting to academy status of £1,019k (2014: £6,129k). Excluding assets transferred on conversion, total incoming resources increased by £2,391k from £4,870k to £7,261k reflecting a new academy this year (The Mill which converted on 1 September 2014) together with a full year's contribution in 2014/15 from West Meadows (converted 1 December 2013) and Darton (converted 1 February 2014).

Resources expended increased by £2,242k from £4,946k to £7,188k, again due to the full year effect of new academies. Net incoming resources totalled £1,092k (2014: £6,053k) or £73k (2014: £(76)k deficit) excluding assets transferred on conversion to academy status.

The actuarial loss for the year was £109k (2014: £208k). In total, the net increase in funds during the year was therefore £983k (2014: £5,845k).

At 31 August 2015 the Trust had fixed assets of £10,977k (2014: £9,648k), net current assets of £961k (2014: £655k) including bank balances of £942k (2014: £651k), and a pension scheme liability of £2,573k (2014: £1,921k) including £487k transferred on The Mill's conversion. In accordance with actuarial advice, the pension deficit is being made up over a period of 20 years and so does not represent a liquidity problem to the Trust.

Reserves Policy

The Directors 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 £451,873 (2014: £346,179) which is included within bank balances of £942,186 (2014: £651,016) 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.

ST MARY'S ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Investment Policy

The Directors 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 Mill joined the Trust on 1 September 2014 following which there has been a period of consolidation over the last 12 months to review structural and procedural practice providing us with the foundations and security to enable growth in 2015/16.

Going concern

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

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.

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 18 December 2015 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 board of trustees has 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. The Accounting Officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Cook, Chair	4	5
L Greenfield, Vice Chair	4	5
Fr P Duckworth	0	2
C Ramskill	5	5
C Lee	3	3
L Spencer	5	5
M Skiffington	0	0
R Hayward	2	5
A Nixon	0	0
P Howarth	4	5
M Grosse	4	5
R Marsh	2	2
L Parkinson	1	1
S Williams	1	1
C Marsh	1	1
M Liddle	1	1

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

Governance reviews:

A full review of the Trust's governance arrangements was undertaken during 2014/15. The review has resulted in proposed changes to the Articles which will be adopted during 2015/16. A committee structure has been introduced towards the end of the academic year, the committees being: Audit Committee, Finance Committee, Personnel and Performance. Responsibilities have been delegated to the Committees through clear Terms of Reference. The Trust continues to have Local Governing Bodies in place with changes to their responsibilities. The responsibilities are clearly set out through Scheme of Delegation. The introduction of the committee structure will allow more focused challenge to ensure improvements in standards and improve the quality of education delivered.

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. The Committee has also identified the need for a new financial system to support the new framework, this will significantly improve the current controls.

ST MARY'S ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

Attendance at meetings of the Audit Committee in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Cook	3	3
C Ramskill	3	3

REVIEW OF VALUE FOR MONEY

The Accounting Officer has responsibility for ensuring that the academy 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 board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer 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.

Value For Money Report

Over the last financial period, St Mary's Academy Trust has introduced new financial procedures to ensure there is greater accountability and evidence of value for money. Internal audits are undertaken annually at each academy and the results reported to the Audit Committee. The Trust continues to strive for improvements within the financial framework. Regular financial monitoring is undertaken and reported to Local Governing Bodies frequently.

The Trust has agreed to implement a new financial system during 2015/16 to ensure a consolidated approach is taken for the Trust's finance with a view to improving efficiencies and effectiveness.

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

- procurement of buildings insurance that has seen a reduction of 31% in costs during 2014/15;
- a centralised agreement for educational psychology resulting in an overall saving to the Trust;
- 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 including: delivery of building cleaning, teacher sickness insurance, music tuition and travel costs.

The Trust has been successful in bidding for funds to improve the school buildings including heating distributions at St Marys Primary. 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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mary's Academy Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and

ST MARY'S ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy 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 identified the need for a more thorough internal audit during 2014/15, this was a successful step towards the imbedding of the new control framework. The internal audit report clearly identified where further support and training was required. This approach will continue into the next academic year particularly given the Trust is looking to introduce a new system and further changes to the control environment.

REVIEW OF EFFECTIVENESS


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 results of internal audits;
- the work of the external auditors;
- the work of the Director of Finance and Operations;
- the work of the Audit Committee.

The Accounting Officer has advised the Trustees of the results of the 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 board of trustees on 18 December 2015 and signed on its behalf, by:


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


.....
R Marsh
Accounting Officer

ST MARY'S ACADEMY TRUST
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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 Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

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 (2014).

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

.....*R.J. Marsh*.....
R Marsh
Accounting Officer

Date: 18 December 2015

ST MARY'S ACADEMY TRUST
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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 18 December 2015 and signed on its behalf by:

.....

S Cook, Chair
Chair of Trustees

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

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

We have audited the financial statements of St Mary's Academy Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the 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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Paul Hinchliffe

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: 22 December 2015

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 FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 21 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, 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 2014 to 31 August 2015 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 EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Mary's Academy Trust and EFA, 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 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure. The work undertaken to draw our conclusions includes:

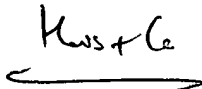
- 1) consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- 2) evaluation of the general control environment of the Academy Trust;
- 3) assessment and testing of a sample of the specific control activities over regularity of a particular 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 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Harris & Co Limited

Chartered Accountants
Reporting Accountant

Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Date: 22 December 2015

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

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	8,837	-	-	8,837	6,676
Activities for generating funds	3,4	280,410	-	-	280,410	196,235
Investment income	5	2,730	-	-	2,730	1,360
Incoming resources from charitable activities	6	-	6,671,812	297,652	6,969,464	4,665,285
Assets transferred on conversion		71,777	(487,000)	1,434,000	1,018,777	6,129,239
TOTAL INCOMING RESOURCES		363,754	6,184,812	1,731,652	8,280,218	10,998,795
RESOURCES EXPENDED						
Costs of generating funds:						
Costs of generating funds	4	67,430	-	-	67,430	34,806
Charitable activities	8	156,804	6,465,339	361,581	6,983,724	4,648,183
Governance costs	7	-	137,325	-	137,325	262,661
TOTAL RESOURCES EXPENDED	9	224,234	6,602,664	361,581	7,188,479	4,945,650
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		139,520	(417,852)	1,370,071	1,091,739	6,053,145

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

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	<i>Total funds 2014 £</i>
Transfers between Funds	21	(33,826)	10,756	23,070	-	-
NET INCOME FOR THE YEAR		105,694	(407,096)	1,393,141	1,091,739	6,053,145
Actuarial gains and losses on defined benefit pension schemes		-	(109,000)	-	(109,000)	(208,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		105,694	(516,096)	1,393,141	982,739	5,845,145
<i>Total funds at 1 September 2014</i>		<i>346,179</i>	<i>(1,820,049)</i>	<i>9,856,300</i>	<i>8,382,430</i>	<i>2,537,285</i>
TOTAL FUNDS AT 31 AUGUST 2015		451,873	(2,336,145)	11,249,441	9,365,169	8,382,430

All activities relate to continuing operations in both years. There were 5 Academies in operation during the year ended 31 August 2014. This number rose to 6 Academies for the year ended 31 August 2015.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 42 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Tangible assets	17		10,977,070		9,648,538
CURRENT ASSETS					
Stocks	18	300		300	
Debtors	19	961,803		633,856	
Cash at bank and in hand		942,186		651,016	
		<u>1,904,289</u>		<u>1,285,172</u>	
CREDITORS: amounts falling due within one year	20	(943,190)		(630,280)	
NET CURRENT ASSETS			<u>961,099</u>		<u>654,892</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,938,169</u>		<u>10,303,430</u>
Defined benefit pension scheme liability	28		(2,573,000)		(1,921,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u><u>9,365,169</u></u>		<u><u>8,382,430</u></u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	21	236,855		100,951	
Restricted fixed asset funds	21	11,249,441		9,856,300	
Restricted funds excluding pension liability		<u>11,486,296</u>		<u>9,957,251</u>	
Pension reserve		<u>(2,573,000)</u>		<u>(1,921,000)</u>	
Total restricted funds			<u>8,913,296</u>		<u>8,036,251</u>
Unrestricted funds	21		<u>451,873</u>		<u>346,179</u>
TOTAL FUNDS			<u><u>9,365,169</u></u>		<u><u>8,382,430</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 18 December 2015 and are signed on their behalf, by:

.....

S Cook, Chair
Chair of Trustees

The notes on pages 22 to 42 form part of these financial statements.

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	23	175,126	28,369
Returns on investments and servicing of finance	24	2,730	1,359
Capital expenditure and financial investment	24	41,537	(10,529)
Cash transferred on conversion to an academy trust	26	71,777	292,237
INCREASE IN CASH IN THE YEAR		291,170	311,436

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase in cash in the year	291,170	311,436
MOVEMENT IN NET FUNDS IN THE YEAR	291,170	311,436
Net funds at 1 September 2014	651,016	339,580
NET FUNDS AT 31 AUGUST 2015	942,186	651,016

The notes on pages 22 to 42 form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of 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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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 in the period in which it is receivable, where there is certainty of receipt and it is measurable.

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

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

ST MARY'S ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Academy Trust's educational operations.

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

A review for impairment of fixed assets 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those 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

ST MARY'S ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term, other than annual charges under Private Finance Initiative (PFI) agreements which are expensed in the year to which they relate.

1.8 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.

1.9 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.

1.10 Pensions

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

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 quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

ST MARY'S ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES (continued)

1.11 Conversion to an academy trust

The conversion from state maintained schools to the academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools for £NIL consideration and have been accounted for under the acquisition accounting method.

During the year The Mill Academy (1 September 2014) joined the Academy Trust. The assets and liabilities transferred on conversion from Barnsley Metropolitan Borough Council (BMBC) to the academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for St Mary's Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.

1.12 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 during 2013/14, BMBC derecognised those assets from its balance sheet as disposals for nil consideration. Following this transfer, 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.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	8,837	-	8,837	6,676

ST MARY'S ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Income from services	11,196	-	11,196	-
Catering income	95,347	-	95,347	109,733
Breakfast and after school clubs	4,917	-	4,917	2,752
Academy trips	56,287	-	56,287	35,933
Music tuition	5,170	-	5,170	5,525
Other	107,493	-	107,493	42,292
	<u>280,410</u>	<u>-</u>	<u>280,410</u>	<u>196,235</u>

4. COST OF GENERATING FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Generating funds expenses				
Wages and salaries	67,430	-	67,430	34,806
	<u>(67,430)</u>	<u>-</u>	<u>(67,430)</u>	<u>(34,806)</u>

5. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment income - bank interest	2,730	-	2,730	1,360

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Educational operations	-	6,969,464	6,969,464	4,665,285

ST MARY'S ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	5,093,992	5,093,992	3,228,900
PFI grant	-	241,506	241,506	296,275
Pupil premium	-	613,542	613,542	333,902
Universal Infant Free School Meals	-	151,704	151,704	-
Sports grant	-	52,075	52,075	33,123
Start up grants	-	-	-	112,247
DfE capital grants	-	297,652	297,652	244,162
Other DfE grants	-	37,200	37,200	1,000
	-	6,487,671	6,487,671	4,249,609
Other government grants				
Early years funding	-	360,218	360,218	315,651
High needs funding	-	94,067	94,067	60,272
Other LA funding	-	27,508	27,508	39,753
	-	481,793	481,793	415,676
	-	6,969,464	6,969,464	4,665,285

7. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	37,951	37,951	22,683
Legal Fees	-	18,696	18,696	102,158
Sundry costs	-	11,981	11,981	12,218
Governor training	-	7,126	7,126	585
Wages and salaries	-	47,802	47,802	99,500
National insurance	-	7,028	7,028	11,487
Pension costs	-	6,741	6,741	14,030
	-	137,325	137,325	262,661

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. CHARITABLE ACTIVITIES

	Total funds 2015 £	<i>Total funds 2014 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	3,449,874	2,343,406
National insurance	215,604	137,025
Pension cost	558,932	349,289
Depreciation	337,273	219,527
Pension interest	71,000	61,000
Educational supplies	123,598	72,528
Technology costs	77,055	3,286
Staff development	20,794	13,613
Academy trips	107,230	64,663
Educational consultancy	50,423	42,642
Staff related insurance	43,818	17,767
Travel and subsistence	1,030	313
Other costs	68,536	35,506
	<hr/> 5,125,167	<hr/> 3,360,565
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	467,688	284,523
National insurance	19,479	13,019
Pension cost	82,770	27,171
Depreciation	24,308	18,966
Technology costs	60,876	80,543
Recruitment	6,035	16,187
Maintenance of premises and equipment	92,450	87,974
Cleaning	69,463	36,452
Rates	31,657	17,690
Insurance	60,005	52,423
Catering	375,639	222,393
Bank interest and charges	341	204
Gas and electric	71,836	49,267
Equipment leasing	14,280	18,739
Office leasing	9,726	8,832
Water rates	5,830	6,099
PFI charges	407,533	303,957
Other costs	58,641	43,179
	<hr/> 1,858,557	<hr/> 1,287,618
	<hr/> 6,983,724	<hr/> 4,648,183

ST MARY'S ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
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9. RESOURCES EXPENDED

	Staff costs	Non Pay	Expenditure	Total	Total
	2015	Premises	Other costs	2015	2014
	£	2015	2015	£	£
		£	£		
Fundraising expenses and other costs	67,430	-	-	67,430	34,806
Costs of generating funds	67,430	-	-	67,430	34,806
Educational operations	4,295,409	261,875	567,883	5,125,167	3,360,565
Support costs - Educational operations	569,937	693,950	594,670	1,858,557	1,287,618
Charitable activities	4,865,346	955,825	1,162,553	6,983,724	4,648,183
Governance	61,571	-	75,754	137,325	262,661
	4,994,347	955,825	1,238,307	7,188,479	4,945,650

10. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly	Support costs	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Educational operations	5,125,167	1,858,557	6,983,724	4,648,183

11. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	361,582	238,493
Auditors' remuneration	25,000	22,683
Auditors' remuneration - non-audit	12,951	-
Operating lease rentals:		
- plant and machinery	14,280	18,739
- other operating leases	421,874	312,789

Other operating leases includes £412,148 (2014: £303,957) PFI charges, of which £241,506 (2014: £296,275) is reimbursed by the EFA as PFI affordability gap income (note 6).

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12. STAFF

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	3,837,053	2,688,424
Social security costs	242,110	161,530
Other pension costs (Note 28)	648,443	390,490
	<u>4,727,606</u>	<u>3,240,444</u>
Pension interest	71,000	61,000
Staff restructuring	50,000	8,077
Supply/agency costs	145,741	65,734
	<u><u>4,994,347</u></u>	<u><u>3,375,255</u></u>

b. Staff severance payments

Included in staff restructuring costs is one non-statutory/non-contractual severance payment totalling £13,000 (2014: 2 payments totalling £8,077).

c. Staff numbers

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

	2015 No.	2014 No.
Teachers	62	46
Teaching assistants	71	49
Administration and support	21	15
Management	6	6
	<u>160</u>	<u>116</u>

The staff head count (not as full time equivalents) was 231 (2014: 184).

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No.	2014 No.
In the band £60,001 - £70,000	1	0
In the band £90,001 - £100,000	0	1
In the band £110,001 - £120,000	1	0

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, pension contributions for this staff member amounted to £17,325 (2014: £14,030)

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**NOTES TO THE FINANCIAL STATEMENTS
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13. 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; or
- others as arising.

The Academy Trust charges for these services as a flat percentage of school budget income directly linked to Ofsted category, varying from 4% to 6%.

The actual amounts charged during the year were as follows:

	2015 £
St Marys Primary School	39,600
All Saints Academy	43,650
Queens Road Academy	81,500
West Meadows Primary School	50,500
Darton Primary School	66,191
The Mill Academy	66,880
	<hr/>
Total	348,321 <hr/>

14. 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:

	2015 £	2014 £
C Lee (remuneration)	110,000-115,000	95,000-100,000
L Spencer (remuneration)	55,000-60,000	55,000-60,000
R Marsh (remuneration)	50,000-55,000	2014: Not trustee
C Lee (employers pension)	5,000-10,000	10,000-15,000
L Spencer (employers pension)	5,000-10,000	5,000-10,000
R Marsh (employers pension)	5,000-10,000	2014: Not trustee

During the year ended 31 August 2015, expenses totalling £1030 (2014 - £1033) were reimbursed to 3 Trustees (2014 - 1).

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15. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust 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 and the cost for the year ended 31 August 2015 was £3,856 (2014 - £4,830). The cost of this insurance is included in the total insurance cost.

16. OTHER FINANCE INCOME

	2015 £	2014 £
Expected return on pension scheme assets	79,000	29,000
Interest on pension scheme liabilities	(150,000)	(90,000)
	<u>(71,000)</u>	<u>(61,000)</u>

17. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2014	9,741,056	52,528	202,828	9,996,412
Additions	1,634,541	10,000	45,573	1,690,114
At 31 August 2015	<u>11,375,597</u>	<u>62,528</u>	<u>248,401</u>	<u>11,686,526</u>
Depreciation				
At 1 September 2014	273,991	11,394	62,489	347,874
Charge for the year	275,657	13,053	72,872	361,582
At 31 August 2015	<u>549,648</u>	<u>24,447</u>	<u>135,361</u>	<u>709,456</u>
Net book value				
At 31 August 2015	<u>10,825,949</u>	<u>38,081</u>	<u>113,040</u>	<u>10,977,070</u>
At 31 August 2014	<u>9,467,065</u>	<u>41,134</u>	<u>140,339</u>	<u>9,648,538</u>

Included in additions in the year is £1,434,000 which relates to assets transferred on conversion (note 26).

Included in land and buildings is freehold land at valuation of £951,573 (2014: £892,573) of which £59,000 was transferred during the year on conversion of The Mill Academy which is not depreciated.

The valuation of land and buildings transferred on conversion during the year was performed on a desktop basis by Mouchel as part of an EFA procured valuation of new academies for inclusion within the EFA's Whole Government Accounts return. In the opinion of the trustees, the resulting valuation of £1,404,000, which was carried out on a depreciated replacement cost basis, is appropriate for inclusion in the annual accounts as they do not consider it an effective use of the academy's resources to procure an alternative independent professional valuation.

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FOR THE YEAR ENDED 31 AUGUST 2015**

18. STOCKS

	2015 £	2014 £
Sundry Items	<u>300</u>	<u>300</u>

19. DEBTORS

	2015 £	2014 £
VAT	429,073	180,822
Prepayments and accrued income	532,730	453,034
	<u>961,803</u>	<u>633,856</u>

**20. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	705,097	467,376
Accruals and deferred income	238,093	162,904
	<u>943,190</u>	<u>630,280</u>

Deferred income

Deferred income at 1 September 2014	88,112
Resources deferred during the year	108,553
Amounts released from previous years	(88,112)
Deferred income at 31 August 2015	<u>108,553</u>

The main components of deferred income are monies collected prior to 31 August 2015 for 2015/16 academy trips (£8,108), universal infant free school meal funding received in July 2015 for September 2015 (£94,705) and other income (£5,740).

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**NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	346,179	363,754	(224,234)	(33,826)	-	451,873
Restricted funds						
General Annual Grant (GAG)	75,951	5,335,497	(5,185,349)	10,756	-	236,855
Other DfE grants	-	854,522	(854,522)	-	-	-
Other restricted funds	-	481,793	(481,793)	-	-	-
Conversion grants	25,000	-	(25,000)	-	-	-
Pension reserve	(1,921,000)	(487,000)	(56,000)	-	(109,000)	(2,573,000)
	<u>(1,820,049)</u>	<u>6,184,812</u>	<u>(6,602,664)</u>	<u>10,756</u>	<u>(109,000)</u>	<u>(2,336,145)</u>
Restricted fixed asset funds						
DfE capital grants	374,495	297,652	(38,740)	-	-	633,407
Capital expenditure from other funds	222,674	-	(38,350)	23,070	-	207,394
Assets transferred on conversion	9,259,131	1,434,000	(284,491)	-	-	10,408,640
	<u>9,856,300</u>	<u>1,731,652</u>	<u>(361,581)</u>	<u>23,070</u>	<u>-</u>	<u>11,249,441</u>
Total restricted funds	<u>8,036,251</u>	<u>7,916,464</u>	<u>(6,964,245)</u>	<u>33,826</u>	<u>(109,000)</u>	<u>8,913,296</u>
Total of funds	<u>8,382,430</u>	<u>8,280,218</u>	<u>(7,188,479)</u>	<u>-</u>	<u>(109,000)</u>	<u>9,365,169</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.

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 £2,573,000 as at 31 August 2015, 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 2015.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

21. STATEMENT OF FUNDS (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
St Marys Primary School	188,218
All Saints Academy	86,162
Queens Road Academy	19,180
West Meadows Primary School	192,500
Darton Primary School	17,413
The Mill Academy	144,104
Central services	41,151
	<hr/>
Total before fixed asset fund and pension reserve	688,728
Restricted fixed asset fund	11,249,441
Pension reserve	(2,573,000)
	<hr/>
Total	9,365,169
	<hr/> <hr/>

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 £
St Marys Primary School	567,803	75,067	24,265	226,672	893,807
All Saints Academy	644,813	71,708	24,087	207,834	948,442
Queens Road Academy	698,769	61,141	22,496	308,778	1,091,184
West Meadows Primary School	742,839	96,264	31,440	248,489	1,119,032
Darton Primary School	834,442	67,888	22,568	391,386	1,316,284
The Mill Academy	709,881	107,234	24,954	225,603	1,067,672
Central Services	190,858	126,668	(8,846)	81,797	390,477
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,389,405	605,970	140,964	1,690,559	6,826,898
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	346,179	363,754	(224,234)	(33,826)	-	451,873
Restricted funds	(1,820,049)	6,184,812	(6,602,664)	10,756	(109,000)	(2,336,145)
Restricted fixed asset funds	9,856,300	1,731,652	(361,581)	23,070	-	11,249,441
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	8,382,430	8,280,218	(7,188,479)	-	(109,000)	9,365,169
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	10,977,070	10,977,070	9,648,537
Current assets	818,406	743,511	342,371	1,904,288	1,285,172
Creditors due within one year	(366,533)	(506,656)	(70,000)	(943,189)	(630,279)
Provisions for liabilities and charges	-	(2,573,000)	-	(2,573,000)	(1,921,000)
	<u>451,873</u>	<u>(2,336,145)</u>	<u>11,249,441</u>	<u>9,365,169</u>	<u>8,382,430</u>

23. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming resources	1,091,739	6,053,145
Returns on investments and servicing of finance	(2,730)	(1,359)
Cash impact of transfer on conversion	(71,777)	(292,237)
Depreciation of tangible fixed assets	361,582	238,493
Capital grants from DfE	(297,651)	(244,162)
Decrease in stocks	-	300
Transfer of fixed assets on conversion	(1,434,000)	(6,945,000)
Increase in debtors	(327,947)	(474,781)
Increase in creditors	312,910	532,970
Transfer of pension on conversion	487,000	1,108,000
FRS 17 adjustments	56,000	53,000
Net cash inflow from operations	<u>175,126</u>	<u>28,369</u>

24. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	<u>2,730</u>	<u>1,359</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(256,114)	(254,691)
Capital grants from DfE	297,651	244,162
Net cash inflow/(outflow) capital expenditure	<u>41,537</u>	<u>(10,529)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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25. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	651,016	291,170	-	942,186
Net funds	651,016	291,170	-	942,186

26. CONVERSION TO AN ACADEMY TRUST

During the year The Edmunds Primary School (1 September 2014) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Mary's Academy Trust from Barnsley Metropolitan Borough Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as assets transferred from the predecessor school.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	1,404,000	1,404,000
- Other tangible fixed assets	-	-	30,000	30,000
Budget surplus/(deficit) on LA funds	71,777	-	-	71,777
LGPS pension surplus/(deficit)	-	(487,000)	-	(487,000)
Net assets/(liabilities)	71,777	(487,000)	1,434,000	1,018,777

The above net assets include £71,777 that were transferred as cash.

27. CAPITAL COMMITMENTS

At 31 August 2015 the Academy Trust had capital commitments as follows:

	2015 £	2014 £
Contracted for but not provided in these financial statements	76,803	113,218

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NOTES TO THE FINANCIAL STATEMENTS
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28. 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 defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The pension costs paid to TPS in the period amounted to £313,249 (2014: £225,094).

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

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28. PENSION COMMITMENTS (continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy 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 2015 was £430,824, of which employer's contributions totalled £343,476 and employees' contributions totalled £87,348. The agreed contribution rates for future years are 13.1% to 18% 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.

The LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

The Academy Trust's share of the assets and liabilities in the scheme and the expected rates of return were:

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.50	971,000	7.00	538,000
Government bonds	2.50	234,000	2.90	115,000
Property	6.10	187,000	6.20	95,000
Other bonds	3.60	96,000	3.80	58,000
Cash / liquidity	0.50	30,000	0.50	17,000
Other	6.50	116,000	7.00	57,000
Total market value of assets		1,634,000		880,000
Present value of scheme liabilities		(4,207,000)		(2,801,000)
Deficit in the scheme		(2,573,000)		(1,921,000)

The amounts recognised in the Balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(4,207,000)	(2,801,000)
Fair value of scheme assets	1,634,000	880,000
Net liability	(2,573,000)	(1,921,000)

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28. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2015 £	2014 £
Current service cost	(313,000)	(189,000)
Interest on obligation	(150,000)	(90,000)
Expected return on scheme assets	79,000	29,000
	<hr/>	<hr/>
Total	(384,000)	(250,000)
	<hr/>	<hr/>
Actual return on scheme assets	36,000	57,000
	<hr/>	<hr/>

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

	2015 £	2014 £
Opening defined benefit obligation	2,801,000	712,000
Current service cost	313,000	189,000
Interest cost	150,000	90,000
Contributions by scheme participants	84,000	56,000
Actuarial Losses	66,000	287,000
Liabilities assumed on conversion	854,000	1,443,000
Benefits paid	(61,000)	24,000
	<hr/>	<hr/>
Closing defined benefit obligation	4,207,000	2,801,000
	<hr/>	<hr/>

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

	2015 £	2014 £
Opening fair value of scheme assets	880,000	160,000
Expected return on assets	79,000	29,000
Actuarial gains and (losses)	(43,000)	79,000
Contributions by employer	328,000	197,000
Contributions by employees	84,000	56,000
Assets acquired on conversion	367,000	335,000
Benefits paid	(61,000)	24,000
	<hr/>	<hr/>
	1,634,000	880,000
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £323,000 (2014 - £214,000).

The Academy Trust expects to contribute £333,000 to its Defined benefit pension scheme in 2016.

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28. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	4.00 %	4.00 %
Expected return on scheme assets at 31 August	5.56 %	6.01 %
Rate of increase in salaries	4.00 %	3.95 %
Rate of increase for pensions in payment / inflation	2.25 %	2.20 %
Inflation assumption (CPI)	2.25 %	2.20 %

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

	2015	2014
Retiring today		
Males	23	22.9
Females	25.6	25.5
Retiring in 20 years		
Males	25.3	25.2
Females	28.4	28.3

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015	2014	2013	2012
	£	£	£	£
Defined benefit obligation	(4,207,000)	(2,801,000)	(712,000)	(244,000)
Scheme assets	1,634,000	880,000	160,000	22,000
Deficit	(2,573,000)	(1,921,000)	(552,000)	(222,000)
Experience adjustments on scheme liabilities	-	(9,000)	-	-
Experience adjustments on scheme assets	(43,000)	79,000	7,000	-

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

29. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Within 1 year	6,289	8,342	4,821	-
Between 2 and 5 years	-	-	11,624	16,174
After more than 5 years	416,166	400,506	-	-

The Trust receives funding from the EFA in relation to the land and buildings lease commitment (>5 years). In the year to 31 August 2016 the Trust expects to receive £250,950 from the EFA in relation to this agreement.

30. 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.

31. RELATED PARTY TRANSACTIONS

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