

REGISTERED COMPANY NUMBER: 07917752 (England and Wales)

**St Mary's Academy Trust
(A Company Limited by Guarantee)
Report of the Trustees and
Financial Statements for the Year Ended 31 August 2019**

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



St Mary's Academy Trust
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for the Year Ended 31 August 2019

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St Mary's Academy Trust
Reference and Administrative Details
for the Year Ended 31 August 2019

MEMBERS

Mrs L Greenfield
Fr S Race
Diocese
Mr C Booth
Mr C Ramskill
Mrs S L Cook
Mr P M Howarth

TRUSTEES

Mrs S L Cook (Chair)
Mrs M Liddell
Mrs M Priestley (Chief Executive Officer)
Mr C Ramskill
Mrs T Rodger
Mrs S Williams
Mrs L M Wylie
Mr S J Walls (appointed 1 September 2018)
Mr S Manderson (appointed 1 September 2018)

REGISTERED OFFICE

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

REGISTERED COMPANY NUMBER

07917752 (England and Wales)

INDEPENDENT AUDITORS

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

BANKERS

RBS
1 Victoria Place
Holbeck
Leeds
South Yorkshire
LS11 5AN

SOLICITORS

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

St Mary's Academy Trust

**Reference and Administrative Details
for the Year Ended 31 August 2019**

SENIOR MANAGEMENT TEAM

M Priestley, Director of Finance and Operations, AO
R J Marsh, Director of Teaching and Learning
L Spencer, Head of St Mary's Primary School
S J Walls, Head of All Saints Academy
S Kaufman, Head of Queens Road Academy
D Wood, Head of West Meadows Primary School
J Lancett, Head of Darton Primary School
T Gulliver, Head of The Mill Academy
P Wright, Head of Dodworth Primary (joined 1 June 2019)
S Silverwood, Head of Elsecar Primary (joined 1 June 2019)

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2019

The Trustees (who are also directors of the charity for the purposes of the Companies Act ("the Directors")) present their annual report together with the audited financial statements of St Mary's Academy Trust ("the Trust") for the year ended 31 August 2019. The Directors confirm that the annual report and financial statements of the Trust comply with current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (Accounting and Reporting by Charities) effective from 1 January 2015, and the Financial Reporting Standard 102 (FRS102).

STRUCTURE GOVERNANCE AND MANAGEMENT

Charity constitution

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

1 September 2012 - All Saints Academy
1 September 2013 - Queens Road Academy
1 December 2013 - West Meadows Primary School
1 February 2014 - Darton Primary School
1 September 2014 - The Mill Academy
1 February 2016 - Royston St Johns CE Primary
1 June 2019 - Dodworth CE Primary
1 June 2019 - Elsecar Primary

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

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

Members' liability

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

Purpose of the Trust

The Trust has entered into a funding agreement with the Education and Skills Funding Agency ("ESFA"), which provides the framework within which the Trust must operate. The principal object of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad curriculum.

Trustees' Indemnities

The Academy Trust has purchased Trustees'/Governors' and Officers' liability insurance which covers them for any legal action brought against them. The current insurance provides cover up to £5,000,000 on any one claim. Qualifying third party indemnity provisions (as defined by s236 of the Companies Act 2006) were in force during the period and remain in force in relation to certain losses and liabilities which the Trustees/Governors or other officers may incur to third parties in the course of acting as Governors or officers of the Academy Trust.

Organisational structure and the Governing Body

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

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

The Board of Trustees has appointed a Local Governing Body ("LGB")/Performance Committee for each member academy which, for church schools, includes religious distinctiveness and which each has delegated powers to oversee the day to day running of that school.

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2019

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

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

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

The Trust maintained its governance arrangements for 2018/19, this being a committee structure. The Scheme of Delegation was reviewed during 18/19. A full review of governance was undertaken by the Board of Trustees however, it was agreed to remain with the current structure after considering other alternatives. This provides the Trust with additional oversight and challenge at a local level. Recruiting governors remains a challenge for SMAT and is a priority on the Trust Strategic Plan for 2019/20.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

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

Connected Organisations including Related Party Relationships

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

Risk Management

The Trustees have assessed the major risks to which St Marys Academy Trust is exposed and are working to mitigate and eliminate these risks. In order to do this the risk management process involves the production of a detailed risk register accompanied by a range of mitigating strategies including ensuring policies are up to date, and that relevant members of the Executive team are assigned to own each risk.

The remit of the Audit Committee is to ensure risks are identified and mitigating activities are in place.

The Audit Committee and the Executive team alongside the Head teachers work to ensure processes are in play to manage key risks. The main focus areas are:

- Long term financial planning, financial risks and uncertainties - including the impact of inflation, pension scheme deficits, student numbers on roll and building conditions;
- Health and Safety;
- Safeguarding;
- Data Protection (GDPR);
- Business Continuity Planning;
- Financial Fraud

The main risks facing St Marys Academy Trust are that schools do not meet National Expectations and consequently 'reputational' risk.

The risk register is comprehensive and deals with a wide range of matters. Where appropriate there is adequate insurance cover to mitigate any residual risks.

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

St Mary's Academy Trust

Report of the Trustees for the Year Ended 31 August 2019

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

Aims and Mission

The vision of the Trust is:

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

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

Children First

Aspiration, Resilience, Independence, Inclusive

The best for our children is central to every decision made. We give children the building blocks for life - socially, emotionally, morally and academically.

Lead Bravely

Team ethos, Consistency, Inspirational, Reflective

Visionary leadership underpins our Ethos of Excellence

Own It

Integrity, Perseverance, Creative, Pride

With enthusiasm, shared responsibility and pride we push boundaries to deliver educational excellence

Straight talking

Respect, Listen, Professionalism, Positivity

Honesty, empathy and clear communication underpin our drive for collaborative excellence. Ongoing professional challenge supports our improvement journey.

Community

Trust, Nurture, Opportunity, Family

Positive relationships with the wider community, built upon mutual trust, removing barriers and providing memorable lifelong experiences for all.

Compliance statement

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

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2019

STRATEGIC REPORT
Achievement and performance
Achievements

Key Stage 2:

Reading/Writing/Maths ("RWM") combined

	At expected standard+ RWM combined	Above expected standard in RWM combined
National 2019	65% (+1)	11% (+1)
All Saints	64% (+17)	4% (+1)
Darton	74% (=)	19% (+8)
Dodworth	62%	7%
Elsecar	58%	12%
Queens Road	36% (-14)	0% (-3)
Royston	47% (-7)	0% (-3)
St Mary's	74% (-2)	9% (-12)
The Mill	74% (-5)	11% (+4)
West Meadows	83% (+9)	13% (+7)
Trust Average 2019	64%	8%

Reading

	% at expected	% working at greater depth	Averaged scaled score for reading	Progress score
National 2019	73% (-2)	27% (-1)	104 (-1)	
All Saints	68% (+11)	4% (-3)	101 (=)	0.0 (-2.4 to 2.3)
Darton	74% (-5)	26% (+10)	104(-1)	-1.1 (-2.9 to 0.8)
Dodworth	72%	14%	104	-1.9 (-4.2 to 0.4)
Elsecar	62%	27%	103	1.7 (-0.7 to 4.2)
Queens Road	61% (-9)	0% (-23)	100 (-3)	0.5 (-1.8 to 2.9)
Royston	56% (-12)	19% (+5)	101 (-2)	-4.0 (-6.2 to -1.8)
St Mary's	79% (-6)	15% (-9)	102 (-3)	-2.3 (-4.5 to -0.2)
The Mill	74% (-12)	15% (-17)	102 (-3)	-0.4 (-2.8 to 2.0)
West Meadows	83% (+6)	27% (+4)	106 (+2)	0.6 (-1.6 to 2.8)
Trust Average 2019	70%	16%	103	

Writing

	% at expected standard+	% working at greater depth	Progress score
National 2019	78% (=)	20% (=)	
All Saints	79% (-4)	25% (-12)	4.1 (2.0 to 6.3)
Darton	88% (-4)	40% (+11)	2.4 (0.7 to 4.1)
Dodworth	79%	21%	-1.3 (-3.3 to 0.8)
Elsecar	69%	15%	1.4 (-0.8 to 3.6)
Queens Road	61% (-22)	3% (-7)	0.8 (-1.4 to 3.0)
Royston	63% (-7)	0% (-22)	-5.6 (-7.6 to -3.6)
St Mary's	76% (-9)	15% (-17)	-2.1 (-4.0 to 0.1)
The Mill	78% (-1)	26% (+8)	1.5 (-0.6 to 3.7)
West Meadows	83% (-4)	23% (=)	0.4 (-1.7 to 2.4)
Trust Average 2019	75%	19%	

St Mary's Academy Trust

Report of the Trustees for the Year Ended 31 August 2019

STRATEGIC REPORT

Achievement and performance

Maths

	% at expected standard+	% working at greater depth	Average scaled score for maths	Progress Score
National 2019	79% (+4)	27% (+4)	105 (+1)	
All Saints	75% (+18)	11% (-2)	102 (=)	-0.5 (-1.6 to 2.6)
Darton	88% (+4)	50% (+32)	107 (+3)	-1.7 (0.0 to 3.3)
Dodworth	72%	10%	103	-3.6 (-5.6 to -1.6)
Elsecar	69%	35%	105	2.9 (0.8 to 5.0)
Queens Road	52% (-8)	3% (-14)	100 (+1)	-0.6 (-2.7 to 1.6)
Royston	63% (-13)	19% (+5)	102 (-2)	-3.1 (-5.0 to -1.2)
St Mary's	82% (=)	29% (-2)	105 (=)	-0.6 (-2.4 to 1.3)
The Mill	78% (-1)	33% (+12)	106 (+2)	2.5 (0.4 to 4.6)
West Meadows	87% (=)	27% (+17)	106 (+3)	0.0 (-1.9 to 2.0)
Trust Average 2019	74%	24%	104	

Grammar, Punctuation and spelling ("GPS")

	% at expected standard+	% working at greater depth	Average scaled score for GPS
National 2019	78% (=)	36% (+2)	106 (=)
All Saints	79% (+2)	21% (-19)	104 (-3)
Darton	83% (+4)	48% (+14)	108 (+2)
Dodworth	76%	28%	105
Elsecar	65%	19%	103
Queens Road	58% (-19)	6% (-21)	102 (-4)
Royston	72% (-1)	25% (-5)	104 (-1)
St Mary's	85% (+3)	44% (+6)	108 (+1)
The Mill	78% (+3)	52% (+23)	108 (+3)
West Meadows	77% (-6)	37% (+5)	106 (+1)
Trust Average 2019	75%	31%	105

Key Stage 1:

R/W/M combined

	At expected standard+ RWM combined	Above expected standard in RWM combined
All Saints	63% (+20)	5% (-5)
Darton	67% (+4)	5% (=)
Dodworth	77%	7%
Elsecar	63%	17%
Queens Road	66% (+11)	10% (+3)
Royston	55% (+26)	13% (+13)
St Mary's	53% (-14)	10% (-13)
The Mill	63% (-9)	10% (-11)
West Meadows	63% (=)	3% (-4)
Trust Average 2019	63%	9%

Reading

	% at expected	% working at greater depth
All Saints	71% (+14)	14% (-3)
Darton	83% (+13)	19% (+9)
Dodworth	77%	23%
Elsecar	80%	28%
Queens Road	69% (+1)	14% (-2)
Royston	68% (+24)	26% (+17)
St Mary's	80% (+3)	27% (+4)
The Mill	73% (-3)	20% (-4)
West Meadows	70% (=)	13% (-7)
Trust Average 2019	75%	20%

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2019

STRATEGIC REPORT
Achievement and performance
Writing

	% at expected standard+	% working at greater depth
All Saints	63% (+13)	5% (-5)
Darton	74% (+4)	7% (-3)
Dodworth	83%	13%
Elsecar	65%	17%
Queens Road	69% (+14)	17% (+10)
Royston	61% (+20)	16% (+16)
St Mary's	53% (-17)	10% (-13)
The Mill	67% (-13)	17% (-4)
West Meadows	63% (=)	10% (-3)
Trust Average 2019	66%	12%

	% at expected	% working at greater depth
Maths		
All Saints	71% (+4)	24% (+1)
Darton	74% (-1)	17% (+7)
Dodworth	83%	20%
Elsecar	79%	24%
Queens Road	79% (+5)	10% (+16)
Royston	74% (+21)	23% (-1)
St Mary's	87% (+7)	37% (+4)
The Mill	73% (-6)	20% (-1)
West Meadows	70% (+3)	13% (-7)
Trust Average 2019	77%	21%

Year 1: Phonics

	Working AT
All Saints	75% (+5)
Darton	85% (+4)
Dodworth	89%
Elsecar	88%
Queens Road	71% (-12)
Royston	59% (-12)
St Mary's	93% (+6)
The Mill	85% (-12)
West Meadows	80% (+3)
Trust Average 2019	81%

Year 2: Phonics

	% working at expected by the end of KS1
All Saints	80% (=)
Darton	98% (+3)
Dodworth	93%
Elsecar	50%
Queens Road	86% (-1)
Royston	84% (-10)
St Mary's	97% (+4)
The Mill	100% (=)
West Meadows	87% (=)
Trust Average 2019	81%

St Mary's Academy Trust

Report of the Trustees for the Year Ended 31 August 2019

STRATEGIC REPORT

Achievement and performance

Foundation Stage:

Expected +

	GLD	Reading	Writing	Number	Shape, Space and Measure	Literacy	Maths
All Saints	63% (+3)	63% (+3)	63% (+3)	63% (-12)	63% (-7)	63% (+3)	63% (+2)
Darton	79% (=)	79% (=)	79% (=)	82% (+3)	97% (-12)	79% (=)	82% (+3)
Dodworth	83%	83%	83%	86%	90%	83%	86%
Elsecar	66%	80%	73%	93%	93%	73%	93%
Queens Road	67% (+8)	70% (+11)	70% (+11)	73% (+11)	73% (+11)	70% (-3)	73% (-10)
Royston	68% (-5)	68% (-9)	68% (-5)	68% (-15)	68% (-15)	68% (-5)	68% (-15)
St Mary's	73% (22)	73% (22)	73% (22)	80% (24)	83% (25)	73% (22)	80% (24)
The Mill	70% (21)	70% (-4)	70% (-4)	73% (-1)	73% (-8)	70% (+4)	73% (+1)
West Meadows	69% (+2)	76% (+3)	69% (+1)	83% (+6)	83% (+6)	69% (-1)	83% (+6)
Trust Average 2019	71%	73%	72%	78%	80%	72%	78%

Exceeding

	Reading	Writing	Number	Shape, Space and Measure	Literacy	Maths
All Saints	0% (-5)	0% (-10)	0% (-5)	0% (=)	0% (-5)	0% (=)
Darton	18% (-6)	6% (+6)	18% (=)	12% (+6)	6% (+6)	9% (+9)
Dodworth	35%	0%	28%	27%	0%	20%
Elsecar	6%	0%	6%	0%	0%	0%
Queens Road	10% (+3)	0% (-7)	7% (+7)	3% (-3)	0% (-7)	3% (-3)
Royston	11% (-16)	4% (-13)	7% (=)	7% (+7)	7% (-10)	7% (+7)
St Mary's	17% (5)	6% (2)	30% (9)	30% (9)	6% (2)	30% (9)
The Mill	3% (-8)	0% (-7)	23% (+4)	13% (-6)	0% (-7)	13% (-6)
West Meadows	5% (-8)	0% (-3)	5% (-2)	5% (-2)	0% (-3)	5% (-2)
Trust Average 2019	12%	2%	14%	11%	1%	10%

() = school comparison

+/- = comparison to 2018

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2019

STRATEGIC REPORT

Financial review

Financial position

The majority of the Trust's income for the period was obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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

During the year ended 31 August 2019 incoming resources increased by £373k to £8,992k (2018: £8,619k) and resources expended increased by £1,335k from £9,184k to £10,519k although the transfer in of the net liabilities of the 2 new schools from Pride Multi Academy Trust account for £779k of this increase, largely explained by the LGPS pension deficit of £943k at the date of transfer. Net expenditure totalled £1,528k (2018: £566k).

The actuarial loss for the year on the Local Government Pension Scheme (LGPS) was £2,148k (2018: gain of £865k) reflecting the suffering of corporate bond yields as a result of uncertainty created by ongoing Brexit negotiations during 2019. In total, the net decrease in funds during the year was therefore £3,675k (2018: £299k increase).

At 31 August 2019 the Trust's total funds had reduced significantly by £3,676k to £1,344k (2018: £5,019k) comprising fixed assets of £8,223k (2018: £8,295k), net current assets of £1,023k (2018: £925k) including bank balances of £1,044k (2018: £955k), and a pension scheme liability of £7,903k (2018: £4,201k).

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

Investment policy

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

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

Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trust's "free reserves" are its funds after excluding restricted funds. "Free reserves" are therefore the resources the Trust has or can make available to spend for any or all of the Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Trust which is to be spent at the Trustees' discretion in furtherance of any of the Trust's objects, but which is not yet spent, committed or designated. The Trust's current level of free reserves is £510,132 (2018: £526,063) which is included within bank balances of £1,043,627 (2018: £954,693) 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
Report of the Trustees
for the Year Ended 31 August 2019

STRATEGIC REPORT

Financial review

Going concern

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

Fundraising

The Trust mainly relies on government allocations, however, for some events and activities we do rely on voluntary contributions from parents.

Principal risks and uncertainties

There are a number of principal risks and uncertainties facing the Trust including;

1. Financial - The Trust has considerable reliance on continued Government funding through the ESFA. There is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
2. Rebrokerage of Pride - on the 1st June 2019 Pride MAT was re-brokered into the Trust. This provides opportunities and challenges for all parties. The next academic year is of paramount importance in terms blended the two Trusts together and having a seamless transfer onto Trust policies and procedures.

Financial and risk management objectives and policies

As a Trust funded directly by the ESFA funding streams are considered to be reasonably safe and secure. The main financial risk arises from possible changes in Government policy and funding levels. The Trustees have developed a risk management strategy which is being managed and will be under continual review during 2019/20. Operational risk registers have been developed at Academy level with the Head teachers that allow risks to be managed locally.

Future plans

The Trust continues to explore growth opportunities. The current priority is to settle the newly re-brokered schools into the Trust however, we will continue to work with the Diocese to discuss other growth opportunities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

FUNDS HELD AS CUSTODIAN FOR OTHERS

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

AUDITORS

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.

St Mary's Academy Trust

**Report of the Trustees
for the Year Ended 31 August 2019**

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on19 December 2019..... and signed on the board's behalf by:


.....
Mrs S L Cook - Chair

St Mary's Academy Trust
Governance Statement
for the Year Ended 31 August 2019

Scope of Responsibility

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

The local governing bodies and board of trustees 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. They are also responsible for reporting to the local governing bodies and board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a possible
S Cook, Chair	6	6
C Ramskill	6	6
S Williams	5	6
L Wylie	5	6
T Rodger	6	6
M Priestley	6	6
S J Walls	6	6
S Manderson	6	6

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

The Audit Committee is a subcommittee of the main board of trustees. Its purpose is to advise the Trust Board on the adequacy and effectiveness of the Trust's systems of internal control, its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money). The Committee has addressed the need for a new internal control framework and is challenging where this is not fully implemented. Following both internal and external audits further improvements to the control framework are required. It has been acknowledged that the implementation of the new finance system has been significant improvements in the management of the financial processes throughout the Trust and its schools.

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

Trustees	Meetings attended	Out of a possible
T Rodger	4	4
C Ramskill	3	4

Review of Value for Money

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

As Accounting Officer, Melanie Priestley (CEO) has responsibility for ensuring that St Marys 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 St Marys Academy Trust 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.

St Mary's Academy Trust
Governance Statement
for the Year Ended 31 August 2019

Review of Value for Money

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

- How we monitor and manage academies' progress in delivering the best outcomes for students.
- How well we procure goods and services.
- How we best deploy our staffing resources.

Regular monitoring is undertaken and reported to the Local Governing Bodies and Finance Committee. This academic year will focus on budget monitoring being presented and challenged through the Finance Committee to drive efficiencies and consistencies (where appropriate) through the budget.

Internal audits are undertaken annually by the external auditors, who have been appointed as internal auditor to perform an appropriate programme of checks. The Trust continues to make improvements to the internal control framework and to provide challenge where processes are not being followed.

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

- New VOIP phone systems
- procurement of buildings insurance

The Trust regularly applies for grants to improve the fabric of all its buildings and this will continue next year for all the Trust schools.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mary's Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The local governing bodies and board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The local governing bodies and board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks, that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the local governing bodies and board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

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 work of the internal audits;
- the work of the external auditors;
- the work of the Finance Manager;


St Mary's Academy Trust
Governance Statement
for the Year Ended 31 August 2019

Review of Effectiveness

the work of the Audit Committee.

The Accounting Officer has been advised of the implications of the result 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 19 December 2019 and signed on its behalf by:


Mrs S L Cook - Chair


Mrs M Priestley - Chief Executive Officer

St Mary's Academy Trust

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2019**

As accounting officer of St Mary's Academy Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2018.

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


.....
M Priestley - Accounting Officer

Date: 19 December 2019.....

St Mary's Academy Trust

Statement of Trustees Responsibilities for the Year Ended 31 August 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 19 December 2019 and signed on its behalf by:


Mrs S L Cook - Chair

Report of the Independent Auditors to the Members of St Mary's Academy Trust

Opinion

We have audited the financial statements of St Mary's Academy Trust (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Report of the Independent Auditors 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.

Responsibilities of trustees

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

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

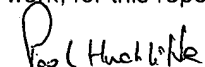
Our responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Hinchliffe BA FCA (Senior Statutory Auditor)
for and on behalf of Harris & Co Limited
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Date: 19 December 2019

Independent Reporting Accountant's Assurance Report on Regularity to St Mary's Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019, 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 period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of St Mary's Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Mary's Academy Trust's funding agreement with the Secretary of State for Education dated 30 October 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

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

**Independent Reporting Accountant's Assurance Report on Regularity to
St Mary's Academy Trust and the Education and Skills Funding Agency**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

H&C

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

Date: *19 December 2019*

St Mary's Academy Trust

Statement of Financial Activities (Incorporating an Income and Expenditure Account) for the Year Ended 31 August 2019

		Unrestrict ed fund £	Restricted funds £	Restricted Fixed Asset £	2019 Total funds £	2018 Total funds £
	Notes					
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	11,422	-	111,338	122,760	227,483
Charitable activities						
Funding for the academy's educational operations	3	233,255	8,514,245	-	8,747,500	8,284,701
Other trading activities	4	117,114	-	-	117,114	103,734
Investment income	5	4,280	-	-	4,280	2,592
Total		366,071	8,514,245	111,338	8,991,654	8,618,510
EXPENDITURE ON Charitable activities						
Academy's educational operations		414,351	9,066,481	259,133	9,739,965	9,184,397
Transfer in from Pride Multi Academy Trust	25	(32,349)	912,997	(101,359)	779,289	-
Total	6	382,002	9,979,478	157,774	10,519,254	9,184,397
NET INCOME/(EXPENDITURE)						
		(15,931)	(1,465,233)	(46,436)	(1,527,600)	(565,887)
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	(2,148,000)	-	(2,148,000)	865,000
Net movement in funds		(15,931)	(3,613,233)	(46,436)	(3,675,600)	299,113
RECONCILIATION OF FUNDS						
Total funds brought forward		526,063	(3,979,472)	8,472,796	5,019,387	4,720,274
TOTAL FUNDS CARRIED FORWARD		510,132	(7,592,705)	8,426,360	1,343,787	5,019,387

All of the charitable company's activities derive from acquisitions in the current year.

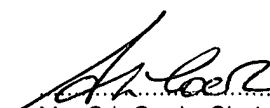
The notes form part of these financial statements

St Mary's Academy Trust (Registered number: 07917752)

Balance Sheet
At 31 August 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	8,223,459	8,295,172
CURRENT ASSETS			
Stocks	15	300	300
Debtors	16	633,784	502,008
Cash at bank		<u>1,043,627</u>	<u>954,693</u>
		1,677,711	1,457,001
CREDITORS			
Amounts falling due within one year	17	(654,383)	(531,786)
NET CURRENT ASSETS		<u>1,023,328</u>	<u>925,215</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,246,787	9,220,387
PENSION LIABILITY	22	(7,903,000)	(4,201,000)
NET ASSETS		<u>1,343,787</u>	<u>5,019,387</u>
FUNDS	21		
Unrestricted funds:			
General fund		510,132	526,063
Restricted funds:			
Restricted General		310,295	221,527
Restricted Fixed Asset		8,426,360	8,472,797
Restricted - Pension		<u>(7,903,000)</u>	<u>(4,201,000)</u>
		833,655	4,493,324
TOTAL FUNDS		<u>1,343,787</u>	<u>5,019,387</u>

The financial statements were approved by the Board of Trustees on 19 December 2019 and were signed on its behalf by:


Mrs S L Cook -Chair

The notes form part of these financial statements

St Mary's Academy Trust
Cash Flow Statement
for the Year Ended 31 August 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(2,975)</u>	<u>(24,230)</u>
Net cash provided by (used in) operating activities		<u>(2,975)</u>	<u>(24,230)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(187,420)	(44,092)
Capital grants from DfE/ESFA		111,338	222,931
Interest received		<u>4,280</u>	<u>2,592</u>
Net cash provided by (used in) investing activities		<u>(71,802)</u>	<u>181,431</u>
Transfer in of assets from Pride Multi Academy Trust	25	<u>163,711</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		88,934	157,201
Cash and cash equivalents at the beginning of the reporting period	2	<u>954,693</u>	<u>797,492</u>
Cash and cash equivalents at the end of the reporting period	2	<u><u>1,043,627</u></u>	<u><u>954,693</u></u>

The notes form part of these financial statements

St Mary's Academy Trust

**Notes to the Cash Flow Statement
for the Year Ended 31 August 2019**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,527,600)	(565,887)
Adjustments for:		
Depreciation	259,133	265,121
Capital grants from DfE/ESFA	(111,338)	(222,931)
Transfer in from Pride Multi Academy Trust	779,289	-
Interest received	(4,280)	(2,592)
(Increase)/decrease in debtors	(131,776)	144,488
Increase in creditors	122,597	9,571
Difference between pension charge and cash contributions	<u>611,000</u>	<u>348,000</u>
Net cash provided by (used in) operating activities	<u>(2,975)</u>	<u>(24,230)</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

All cash and cash equivalents at 31 August 2019 and 31 August 2018 relate to cash in hand and at bank.

St Mary's Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1. ACCOUNTING POLICIES

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

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Mary's Academy Trust constitutes a public benefit entity as defined by FRS 102. The academy trust is a company limited by guarantee and is incorporated in England and Wales.

Going concern

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes to the accounts, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2019

1. ACCOUNTING POLICIES - continued

Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

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

Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

Intangible fixed assets and amortisation

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

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

Software - Straight line over 3 years

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2019

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Four of the school premises which the Academy Trust occupies are on long term lease to the Academy Trust from the Local Authority and from the Diocese. The part of the sites that are leased from the Local Authority are purely land (other than a conservatory at Dodworth St John the Baptist CE Primary Academy) and have been recognised on the balance sheet of the Academy Trust at the depreciated replacement cost valuation on the conversion date. Control over the parts of the school premises leased from the Diocese remain with the Diocese and so these elements are not recognised on the balance sheet of the Academy Trust.

For church school premises that are not on the balance sheet the Accounts Direction requires that an annual donation for rent should be recognised equal to what the Academy Trust would have to pay to secure premises, if such a figure can be reliably measured. Since there is no open market for such transactions this amount cannot be reliably measured and so no donation has been recognised. Subsequent expenditure on the church school premises out of capital grants are included as expenditure in the Statement of Financial Activities as a premises repair cost.

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Assets inherited on conversion (other than land and buildings) are depreciated over their estimated remaining useful life, as at the date of conversion.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

	Straight line over, 22, 30, 45 and 50 years (10 years for improvements)
- Long Term Leasehold Property:	
- Fixtures and fittings:	15% reducing balance
- Computer equipment:	Straight line over 3 years

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

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2019

1. ACCOUNTING POLICIES - continued

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to the accounts. Prepayments are not financial instruments.

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

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.

Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund accounting

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

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

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

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

Operating lease commitments

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight-line basis over the lease term.

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2019

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes 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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is a multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2019

1. ACCOUNTING POLICIES - continued

Debtors

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

Cash at bank and in hand

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

Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Private finance initiative

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

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

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

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Donations	11,422	-	11,422	4,552
Grants	-	111,338	111,338	222,931
	<u>11,422</u>	<u>111,338</u>	<u>122,760</u>	<u>227,483</u>

Grants received, included in the above, are as follows:

	2019 £	2018 £
Capital grants	<u>111,338</u>	<u>222,931</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Grants	-	8,514,245	8,514,245	8,025,105
Visits	77,264	-	77,264	90,859
Catering	145,166	-	145,166	159,469
Music tuition fees	10,825	-	10,825	9,268
	<u>233,255</u>	<u>8,514,245</u>	<u>8,747,500</u>	<u>8,284,701</u>

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
DfE/ESFA revenue grant				
General Annual Grant (GAG)	-	6,507,021	6,507,021	6,174,373
Other EFA grants	-	177,059	177,059	125,180
Pupil Premium	-	680,162	680,162	636,010
PFI Income	-	277,946	277,946	266,231
Universal Infant Free School Meals	-	209,579	209,579	195,340
	-	7,851,767	7,851,767	7,397,134
Other government grant				
Early years funding	-	502,634	502,634	499,835
Other LA funding	-	4,500	4,500	-
High Needs Funding	-	155,344	155,344	128,136
	-	662,478	662,478	627,971
	-	8,514,245	8,514,245	8,025,105

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

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2019

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Other income	<u>117,114</u>	<u>-</u>	<u>117,114</u>	<u>103,734</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Bank interest	<u>4,280</u>	<u>-</u>	<u>4,280</u>	<u>2,592</u>

6. EXPENDITURE

	Staff costs £	Non-pay expenditure		2019 Total £	2018 Total £
		Premises £	Other costs £		
Charitable activities					
Academies educational operations					
Direct costs	6,418,580	-	837,031	7,255,611	6,447,843
Allocated support costs	<u>951,359</u>	<u>824,751</u>	<u>708,244</u>	<u>2,484,354</u>	<u>2,736,554</u>
	7,369,939	824,751	1,545,275	9,739,965	9,184,397
Transfer in from Pride Multi Academy Trust	<u>-</u>	<u>-</u>	<u>779,289</u>	<u>779,289</u>	<u>-</u>
	<u>7,369,939</u>	<u>824,751</u>	<u>2,324,564</u>	<u>10,519,254</u>	<u>9,184,397</u>

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

6. EXPENDITURE – continued

Net income/(expenditure) is stated after charging/(crediting):

	2019 £	2018 £
Auditors' remuneration	32,981	28,854
Internal audit services	1,650	1,250
Depreciation - owned assets	259,133	255,133
Other operating leases	38,483	79,451
Computer software amortisation	-	9,987
Operating lease rentals - PFI charges	465,699	451,443
Operating lease rentals - building leasing charges	<u>12,847</u>	<u>11,094</u>

Included in premises costs within allocated support costs is £9,554 (2018: £270,910) relating to improvements to diocesan property occupied by the Academy Trust which have been funded by CIF capital grants.

In 2018, of the total expenditure, £369,574 was to unrestricted funds and £8,814,823 was to restricted funds.

Of the £465,699 PFI charges (2018: £451,443), £277,946 was reimbursed by the ESFA as PFI affordability gap income (2018: £266,231).

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Direct costs	269,185	6,986,426	7,255,611	6,447,843
Support costs	<u>145,166</u>	<u>2,339,188</u>	<u>2,484,354</u>	<u>2,736,554</u>
	<u>414,351</u>	<u>9,325,614</u>	<u>9,739,965</u>	<u>9,184,397</u>

	2019 Total £	2018 Total £
Analysis of support costs		
Support staff costs	904,341	944,525
Depreciation	27,085	23,703
Technology costs	96,587	135,338
Premises costs	786,835	981,765
Other support costs	549,941	574,422
Governance costs	<u>119,565</u>	<u>76,801</u>
Total support costs	<u>2,484,354</u>	<u>2,736,554</u>

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2019

8. TRUSTEES' REMUNERATION AND BENEFITS

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:

		2019	2018
T Gulliver	Remuneration	60,000 - 65,000	55,000 - 60, 000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
R Marsh	Remuneration		0 - 5,000
	Pension contributions paid		0 - 5,000
M Priestley	Remuneration	70,000 - 75,000	65,000 - 70,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
S J Walls	Remuneration	60,000 - 65,000	
	Pension contributions paid	10,000 - 15,000	

R Marsh resigned as a trustee on 30 October 2017, S J Walls was appointed as a trustee on 1 September 2018.

Trustees' expenses

During the year ended 31 August 2019, expenses totalling £925 (2018: £692) were reimbursed to 1 Trustee (2018: 1)

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

9. STAFF COSTS

	2019 £	2018 £
Wages and salaries	5,551,947	4,979,097
Social security costs	415,389	389,733
Operating costs of defined benefit pension schemes	<u>1,185,597</u>	<u>1,139,414</u>
	7,152,933	6,508,244
Supply teacher costs	183,279	150,053
Staff restructuring costs	<u>33,727</u>	<u>10,556</u>
	<u><u>7,369,939</u></u>	<u><u>6,668,853</u></u>

Included in wages and salaries is £116,000 (2018: £112,000) relating to pension interest.

Included in social security costs is £10,478 (2018: £9,502) relating to the apprenticeship levy.

Staff restructuring costs comprise:

	2019 £	2018 £
Severance payments	<u><u>33,727</u></u>	<u><u>10,556</u></u>

There were two settlement agreements made during the year, the payment of one totalling £30,000 was made during the year, the other is included as an accrual of £3,727 in the balance sheet (included in 2018 was 1 severance payment totalling £10,556).

The average number of persons employed by the academy during the year expressed as full-time equivalents:

	2019	2018
Teachers	88	64
Teaching assistants	103	85
Administration and support	43	38
Management	<u>11</u>	<u>9</u>
	<u><u>245</u></u>	<u><u>196</u></u>

The key management personnel of the Academy trust comprise the senior management team as listed on page 2. The total amount of employee benefits (including employer contributions) received by key management personnel for their services to the Academy Trust for the year was £606,737 (2018: £612,179).

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2019	2018
Teachers	102	81
Teaching assistants	143	113
Administration and support	110	95
Management	<u>11</u>	<u>9</u>
	<u><u>366</u></u>	<u><u>298</u></u>

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

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

9. STAFF COSTS

	2019	2018
£60,001 - £70,000	6	4
£70,001 - £80,000	<u>1</u>	<u>-</u>
	<u><u>7</u></u>	<u><u>4</u></u>

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

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim (reducing to £250,000 for employment/contractual matters). The cost for the year ended 31 August 2019 was £2,545 (2018: £1,736).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	4,552	-	222,931	227,483
Charitable activities				
Funding for the academy's educational operations	259,596	8,025,105	-	8,284,701
Other trading activities	103,734	-	-	103,734
Investment income	<u>2,592</u>	<u>-</u>	<u>-</u>	<u>2,592</u>
Total	370,474	8,025,105	222,931	8,618,510
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	<u>370,474</u>	<u>8,548,802</u>	<u>265,121</u>	<u>9,184,397</u>
NET INCOME/(EXPENDITURE)	-	(523,697)	(42,190)	(565,887)
Transfers between funds	<u>-</u>	<u>266,711</u>	<u>(266,711)</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>865,000</u>	<u>-</u>	<u>865,000</u>
Net movement in funds	-	608,014	(308,901)	299,113
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>526,063</u>	<u>(4,587,487)</u>	<u>8,781,698</u>	<u>4,720,274</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>526,063</u></u>	<u><u>(3,979,473)</u></u>	<u><u>8,472,797</u></u>	<u><u>5,019,387</u></u>

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2019

12. CENTRAL SERVICES

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

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

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

The actual amounts charged during the year were as follows:

	2019 £	2018 £
St Marys Primary School	56,922	55,935
All Saints Academy	63,359	61,168
Queens Road Academy	73,842	71,226
West Meadows Primary School	68,086	65,378
Darton Primary School	77,673	70,300
The Mill Academy	66,253	59,433
Royston St John Baptist CE Primary	60,878	60,522
Total	<u>467,013</u>	<u>443,962</u>

13. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 September 2018 and 31 August 2019	<u>29,963</u>
AMORTISATION	
At 1 September 2018 and 31 August 2019	<u>29,963</u>
NET BOOK VALUE	
At 31 August 2019	<u>-</u>
At 31 August 2018	<u>-</u>

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

14. TANGIBLE FIXED ASSETS

	Long leasehold £	Furniture and equipment £	Computer equipment £	Totals £
COST				
At 1 September 2018	8,973,100	111,557	418,164	9,502,821
Additions	<u>66,334</u>	<u>16,203</u>	<u>104,883</u>	<u>187,420</u>
At 31 August 2019	<u>9,039,434</u>	<u>127,760</u>	<u>523,047</u>	<u>9,690,241</u>
DEPRECIATION				
At 1 September 2018	826,894	57,363	323,392	1,207,649
Charge for year	<u>200,765</u>	<u>9,693</u>	<u>48,675</u>	<u>259,133</u>
At 31 August 2019	<u>1,027,659</u>	<u>67,056</u>	<u>372,067</u>	<u>1,466,782</u>
NET BOOK VALUE				
At 31 August 2019	<u>8,011,775</u>	<u>60,704</u>	<u>150,980</u>	<u>8,223,459</u>
At 31 August 2018	<u>8,146,206</u>	<u>54,194</u>	<u>94,772</u>	<u>8,295,172</u>

Leasehold land and buildings include land of £877,340 which is not depreciated. See 'tangible fixed assets' accounting policy for further information relating to the treatment of the church school premises.

15. STOCKS

	2019 £	2018 £
Sundry items	<u>300</u>	<u>300</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	6,943	9,826
Other debtors	1,018	56,986
VAT	92,386	64,341
Prepayments and accrued income	<u>533,437</u>	<u>370,855</u>
	<u>633,784</u>	<u>502,008</u>

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	311,390	231,283
Other creditors	16,496	16,496
Accruals and deferred income	<u>326,497</u>	<u>284,007</u>
	<u>654,383</u>	<u>531,786</u>

	2019 £	2018 £
Deferred income		
Deferred income as at 1 September 2018	156,666	136,059
Resources deferred during the year	191,682	156,666
Amounts released from previous years	<u>(156,666)</u>	<u>(136,059)</u>
Deferred income as at 31 August 2019	<u>191,682</u>	<u>156,666</u>

The main components of deferred income are monies collected prior to 31 August 2019 for 2019/20 academy trips (£39,854), universal infant free school meal funding received in July 2019 for September 2019 (£134,982) and other income (£16,846).

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019 £	2018 £
Within one year	503,615	504,959
Between one and five years	1,894,500	1,938,424
In more than five years	<u>3,495,432</u>	<u>3,956,367</u>
	<u>5,893,547</u>	<u>6,399,750</u>

The Trust receives funding from the ESFA in relation to the land and buildings PFI lease commitment which amounts to £5,800,112 of the above lease commitment. The Trust expects to receive an annual amount from the ESFA in relation to this agreement and in the year to 31 August 2020 the Trust expects the annual income to be £284,839 from the ESFA.

19. 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.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset £	2019 Total funds £
Fixed assets	-	-	8,223,459	8,223,459
Current assets	572,321	876,938	228,452	1,677,711
Current liabilities	(62,189)	(566,643)	(25,551)	(654,383)
Pension liability	<u>-</u>	<u>(7,903,000)</u>	<u>-</u>	<u>(7,903,000)</u>
	<u>510,132</u>	<u>(7,592,705)</u>	<u>8,426,360</u>	<u>1,343,787</u>

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

Comparative information in respect of the preceding period is as follows:

	Unrestricted fund	Restricted funds	Restricted Fixed Asset £	2018 Total funds £
Fixed assets	-	-	8,295,172	8,295,172
Current assets	578,020	674,406	204,575	1,457,001
Current liabilities	(51,957)	(452,879)	(26,950)	(531,786)
Pension liability	-	(4,201,000)	-	(4,201,000)
	<u>526,063</u>	<u>(3,979,473)</u>	<u>8,472,797</u>	<u>5,019,387</u>

21. MOVEMENT IN FUNDS

	Balance at 1 September 2018	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2019
Restricted general funds						
General Annual Grant (GAG)	216,528	6,784,967	(6,777,294)	35,002	-	259,203
Other DfE grants	-	1,066,800	(998,004)	-	-	68,796
Other restricted grants	-	662,478	(650,180)	-	-	12,298
Conversion grants	5,000	-	-	-	-	5,000
Pension	(4,201,000)	-	(1,554,000)	-	(2,148,000)	(7,903,000)
	<u>(3,979,472)</u>	<u>8,514,245</u>	<u>(9,979,478)</u>	<u>35,002</u>	<u>(2,148,000)</u>	<u>(7,557,703)</u>
Restricted fixed asset funds						
DfE capital grants	301,719	111,338	(14,600)	(122,521)	-	275,936
Capital expenditure from other funds	221,688	-	(23,677)	87,519	-	285,530
Other donations	3,781	-	-	-	-	3,781
Assets transferred on conversion	7,945,608	-	(119,497)	-	-	7,826,111
	<u>8,472,796</u>	<u>111,338</u>	<u>(157,774)</u>	<u>(35,002)</u>	<u>-</u>	<u>8,391,358</u>
Total restricted funds	4,493,324	8,625,583	(10,137,252)	-	(2,148,000)	833,655
Total unrestricted funds	526,063	366,071	(382,002)	-	-	510,132
Total funds	<u>5,019,387</u>	<u>8,991,654</u>	<u>(10,519,254)</u>	<u>-</u>	<u>(2,148,000)</u>	<u>1,343,787</u>

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	Balance at 1 September 2017	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2018
Restricted general funds						
General Annual Grant (GAG)	125,513	6,440,604	(6,616,300)	266,711	-	216,528
Other DfE grants	-	956,530	(956,530)	-	-	-
Other restricted grants	-	627,971	(627,971)	-	-	-
Conversion grants	5,000	-	-	-	-	5,000
Pension	(4,718,000)	-	(348,000)		865,000	(4,201,000)
	<u>(4,587,487)</u>	<u>8,025,105</u>	<u>(8,548,801)</u>	<u>266,711</u>	<u>865,000</u>	<u>(3,979,472)</u>
Restricted fixed asset funds						
DfE capital grants	394,661	222,931	(44,963)	(270,910)	-	301,719
Capital expenditure from other funds	248,404	-	(30,915)	4,199	-	221,688
Other donations	4,245	-	(464)	-	-	3,781
Assets transferred on conversion	8,134,388	-	(188,780)	-	-	7,945,608
	<u>8,781,698</u>	<u>222,931</u>	<u>(265,122)</u>	<u>(266,711)</u>	<u>-</u>	<u>8,472,796</u>
Total restricted funds	4,194,211	8,248,036	(8,813,923)	-	865,000	4,493,324
Total unrestricted funds	526,063	370,474	(370,474)	-	-	526,063
Total funds	<u>4,720,274</u>	<u>8,618,510</u>	<u>(9,184,397)</u>	<u>-</u>	<u>865,000</u>	<u>5,019,387</u>

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2019

21. MOVEMENT IN FUNDS - continued

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

1. Restricted general funds must be used for the normal running costs of the Academy in line with the Master Funding Agreement and restrictions from other sources of funding. The transfer between restricted funds and restricted fixed asset funds relates to fixed asset purchased from GAG.

2. Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the Trust.

The restricted pension fund is in deficit to the value of £7,903,000 as at 31 August 2019, 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 was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Analysis of academies by fund balance

Total reserves before fixed asset fund and pension reserve are not split between academies as closing reserves are pooled to the Academy Trust, not to individual academies. Closing reserves are spent as the Academy Trust sees fit to benefit pupils.

Analysis of academies by cost

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

	Teaching and educational staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
St Mary's	689,184	67,523	23,821	161,678	942,206	1,062,380
All Saints	842,213	96,735	38,719	181,432	1,159,100	1,141,455
Queens Road	873,969	59,834	25,266	323,849	1,282,917	1,212,221
West Meadows	864,200	92,865	21,713	213,428	1,192,206	1,189,731
Darton Primary	858,387	55,500	46,695	421,204	1,381,786	1,322,695
The Mill	888,552	118,006	30,410	203,560	1,240,528	1,226,480
Royston	876,787	94,450	29,799	179,059	1,180,096	1,226,907
Dodworth	203,945	13,541	4,213	40,500	262,198	-
Elsecar	135,772	19,590	7,543	30,355	193,260	-
Central Services	235,725	289,253	18,618	139,354	682,950	537,407
	6,468,733	907,296	246,799	1,894,419	9,517,247	8,919,276

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

22. PENSION AND SIMILAR OBLIGATIONS

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

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

There were no outstanding or prepaid contributions at either the beginning of 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' 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.

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2019

22. PENSION AND SIMILAR OBLIGATIONS - continued

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge
- 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 £15 billion
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £463,936 (2018 - £428,094).

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

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

Local government pension scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 2019 was £439k (2018: £594k), of which employer's contributions totalled £317k (2018: £475k) and employees' contributions totalled £122k (2018: £119k). The agreed contribution rates for future years are 14.1% for employers and 5.5% to 12.5% for employees.

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

As the LGPS is in deficit the Trust entered into a 20-year agreement, based on actuarial advice, to make additional contributions in addition to normal funding levels. In the year ended 31 August 2019 additional contributions totalled £246,583 (2018: £229,683).

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2019

22. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Present value of funded obligations	(13,463,000)	(8,274,000)
Fair value of plan assets	<u>5,560,000</u>	<u>4,073,000</u>
	<u>(7,903,000)</u>	<u>(4,201,000)</u>
Deficit	<u>(7,903,000)</u>	<u>(4,201,000)</u>
Liability	<u>(7,903,000)</u>	<u>(4,201,000)</u>

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

	Defined benefit pension plans	
	2019	2018
	£	£
Current service cost	643,000	704,000
Net interest from net defined benefit asset/liability	116,000	112,000
Past service cost	<u>336,000</u>	<u>-</u>
	<u>1,095,000</u>	<u>816,000</u>
Actual return on plan assets	<u>354,000</u>	<u>173,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Opening defined benefit obligation	8,274,000	8,100,000
Current service cost	643,000	704,000
Past service cost	336,000	-
Contributions by scheme participants	123,000	119,000
Interest cost	241,000	201,000
Actuarial losses/(gains)	2,377,000	(781,000)
Benefits paid	(48,000)	(69,000)
Business combinations	<u>1,517,000</u>	<u>-</u>
	<u>13,463,000</u>	<u>8,274,000</u>

St Mary's Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2019

22. PENSION AND SIMILAR OBLIGATIONS
- continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Opening fair value of scheme assets	4,073,000	3,382,000
Contributions by employer	492,000	475,000
Contributions by scheme participants	123,000	119,000
Interest income	125,000	89,000
Actuarial gains/(losses)	229,000	84,000
Benefits paid	(48,000)	(69,000)
Business combinations	574,000	-
Administrative expenses	(8,000)	(7,000)
	<u>5,560,000</u>	<u>4,073,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Actuarial (losses)/gains	<u>(2,148,000)</u>	<u>865,000</u>
	<u>(2,148,000)</u>	<u>865,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Equities	2,907,000	2,170,000
Government bonds	795,000	582,000
Other bonds	406,000	297,000
Property	484,000	393,000
Cash and other liquid assets	178,000	187,000
Other	<u>790,000</u>	<u>444,000</u>
	<u>5,560,000</u>	<u>4,073,000</u>

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

	2019	2018
Discount rate	1.8%	2.83%
Future salary increases	3.35%	3.38%
Future pension increases	2.2%	2.23%
Inflation assumption	2.1%	2.13%

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

	2019	2018
Retiring today		
Males	23.1	23.0

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

**22. PENSION AND SIMILAR OBLIGATIONS
- continued**

Females	25.9	25.8
Retiring in 20 years		
Males	25.3	25.2
Females	28.3	28.1

	At 31 August 2019 £	At 31 August 2018 £
Sensitivity analysis		
Discount rate +0.1%	(317,000)	(195,000)
Discount rate -0.1%	317,000	195,000
Mortality assumption - 1-year increase	239,000	147,000
Mortality assumption - 1-year decrease	(239,000)	(147,000)
CPI rate +0.1%	326,000	200,000
CPI rate -0.1%	(326,000)	(200,000)

23. CAPITAL COMMITMENTS

	2019 £	2018 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

24. RELATED PARTY DISCLOSURES

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

25. TRANSFER INTO TRUST OF EXISTING ACADEMY TRUST

On 1 June 2019, Pride Multi Academy Trust re-brokered to St Mary's Academy Trust and all the operations and assets and liabilities were transferred to St Mary's Academy Trust from Pride Multi Academy Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred are valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a loss under 'expenditure on charitable activities' in the statement of financial activities.

The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities for each school.

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2019**

Dodworth St John the Baptist CE Primary Academy:

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
Tangible fixed assets			
Leasehold land and buildings	64,454		64,454
Furniture & equipment	5,506		5,506
Computer equipment	-		-
Current assets			
Debtors due in less than 1 year	36,841		36,841
Cash at bank and in hand	46,218		46,218
Current liabilities			
Creditors due in less than 1 year	(44,493)		(44,493)
Pension			
Pension scheme assets	413,000		413,000
Pension scheme liabilities	(1,105,000)		(1,105,000)
Net assets/(liabilities)	(583,474)		(583,474)

Elsecar Holy Trinity CE Primary Academy:

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
Tangible fixed assets			
Leasehold land and buildings	-		-
Furniture & equipment	-		-
Computer equipment	835		835
Current assets			
Debtors due in less than 1 year	29,519		29,519
Cash at bank and in hand	38,177		38,177
Current liabilities			
Creditors due in less than 1 year	(13,345)		(13,345)
Pension			
Pension scheme assets	161,000		161,000
Pension scheme liabilities	(412,000)		(412,000)
Net assets/(liabilities)	(195,814)		(195,814)