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**St Mary's C of E Primary and Nursery Academy, Handsworth**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements  
Year ended 31 August 2016**

Company Number : 08296506

**Feltons  
Chartered Accountants**

**Birmingham  
B1 3JR**



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**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**Report and Financial Statements  
Year ended 31 August 2016**

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**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**Reference and Administrative Details**

**Governing Body**

- \* Mr D Bagley (Chair)
- Mr J Sehjal (Vice Chair)
- \* Mrs A Sturridge-Packer
- \* Mr M Ewins
- \* Mr S Mahandru
- Revd Dr Robert Stephen
- \* Ms H France
- Miss M Edwards
- \* Mrs E Lubin
- \* Mrs S Lyman-Ward
- Ms M Woodley
- Miss R Cammish
- Mrs A Insular-Butcher
- Mrs S Dooley
- Miss Melanie Johnson
- \* **Members of Finance/Audit Committee**

**Senior management team**

- Executive Head Teacher
- Executive Deputy Head Teacher
- Deputy Head Teacher
- Assistant Head Teacher
- Assistant Head Teacher
- Assistant Head Teacher

Mrs A Sturridge-Packer  
Mrs J Booker (Seconded to St Michael's C of E Primary as Head of School)  
Mrs M Woodley  
Mr Joe Broadfield  
Miss Sarah Swords  
Mr Ian Smith

**Company name**

St Mary's C of E Primary and Nursery Academy,  
Handsworth

**Executive Head Teacher and registered office**

Ava Sturridge-Parker CBE  
Hamstead Road  
Handsworth  
Birmingham  
B20 2RW

**Company registration number**

08296506

**Independent auditor**

Feltons  
8 Sovereign Court  
8 Graham Street  
Birmingham B1 3JR

**Bankers**

Lloyds  
Colmore Row  
Birmingham  
B3 3SD

**Solicitors**

Birmingham City Council Solicitors  
Irwin Mitchell  
Imperial house  
31 Temple Street  
Birmingham  
B2 5DB

# **St Mary's C of E Primary and Nursery Academy, Handsworth**

## **(A Company Limited by Guarantee)**

### **Trustees' report**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's Report of St Mary's C of E Primary and Nursery Academy, Handsworth (the Academy) for the year ended 31 August 2016. The Trustees confirm that the Annual Report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's Trustee document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in July 2014.

The annual report serves the purposes of both a trustees' report and a directors' report under company law. St Mary's C of E Primary and Nursery Academy, Handsworth, a Church of England Academy, provides education for pupils of different abilities between the ages of 3 and 11. Our pupils are drawn from families living within the Parish and worshipping at St Mary's Church, and from the local area in accordance with our published admission criteria. It has a pupil capacity of 442, including nursery provision of 52 part time places. The school is now 2 form entry in KS1 accommodating 60 pupils and is currently in the process to moving from an intake of 45 per year group to 60 per year group in KS2. Pupil numbers continue to be increased from reception upwards on a rolling programme.

### **Structure, Governance and Management**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The trustees are the directors of the Charitable Company for the purposes of common law. Members of the Governing Body are delegated responsibility by the trustees for the charitable activities of St Mary's C of E Primary and Nursery Academy, Handsworth.

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

The full Governing Body meets at least once a term. The work of the Governing Body is delegated to sub committees that are formerly constituted with terms of reference, namely:

- Standards Committee
- Finance
- Personnel and staffing Committee
- Buildings, Health and Safety Committee

The sub committees meet at least termly and the Chairs of these committees report back to the full Governing Body meetings.

#### **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.

#### **Trustees' indemnities**

The Academy Trust purchases indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust; provided that any insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the

**St Mary's C of E Primary and Nursery Academy, Handsworth**  
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**Trustees' report (continued)**

costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the Academy Trust.

**Governors indemnities**

Up to £20,000 – subject to excess of £250 for each claim.

**Principal activities**

Liability arising from negligent acts, errors and omissions committed in good faith.

**Method of recruitment and appointment or election of Trustees**

The Academy Trust shall have the following Governors:

- a) The Executive Head Teacher
- b) 2 Staff Governors
- c) 5 parent Governors
- d) 4 Community Governors
- e) 3 Foundation Governors

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The academy purchases support from the Birmingham School and Governor Support at Birmingham LA. Support is also offered from Birmingham Diocesan Board of Education who provides regular courses and training for governors. This all enhances and supports the in-house induction and training programme. Courses and training are also offered by Birmingham LA and other training providers and the Clerk informs each governor about these. Governors are kept up to date with their legislative obligations and best practice through the above support services and by the Clerk to the Governing Body.

**Organisational structure**

The Governing Body is responsible for all major decisions about the Academy. The Governing Body is responsible for setting all policies covering Personnel, Health & Safety, Curriculum/Standards and Financial aspects of the work of the Academy and monitors this. It receives regular reports from the Senior Leadership Team, data updates and teaching and learning and achievement and standards.

It is the duty of the Governing Body to nominate and appoint a responsible officer' for the purposes of making periodic checks on the academy's systems, controls and financial transactions. The trustees has appointed SFS to take the role of Responsible Officer. The current Responsible Officer is James McCulloch.

The Responsible Officer reports to the Governing Body who approves the Statutory Accounts. The levels of authorisation of budget spend are detailed in the 'Head Teacher Delegation Statement' reviewed annually by the Governing Body.

The day to day management of the academy is delegated by the Governing Body to the Executive Head Teacher supported by the Senior Leadership Team which comprises: Executive Head Teacher, Executive Deputy Head Teacher (seconded out academic year 2015 -2016), Deputy Head Teacher, Assistant Head Teachers and finance support from DRB Management.

The initial School Development Plan is drawn up by the Executive Head Teacher working with the Senior Leadership Team. The draft plan is reviewed and approved by the full Governing Body. The Standards Committee reviews the progress of the plan as part of their regular work. The Finance Committee reviews the environmental and building part of the School Development Plan.

As a primary school, a high percentage of the academy's expenditure relates to staffing. The staffing structure is determined by the Governing Body working with the Executive Head Teacher.

## **St Mary's C of E Primary and Nursery Academy, Handsworth** **(A Company Limited by Guarantee)**

### **Trustees' report (continued)**

The School Development Plan and the staffing structure then inform the Academy budget. The Executive Head Teacher is the Accounting Officer and responsible for the day to day management of the academy.

#### **Connected organisations, including related party relationships**

There are related parties which either control or significantly influence the decisions and operations of St Mary's C of E Primary and Nursery Academy, Handsworth which include DRB and the Diocesan Board of Education.

The Academy works with many school networks both within the Birmingham LA and Birmingham Diocese to further the principal activities of the Academy.

### **Objectives and activities**

#### **Objects and aims**

The principal object and activity of the charitable company is the operation of St Mary's C of E Primary and Nursery Academy, Handsworth to provide education and care for pupils of different abilities between the ages of 3 and 11.

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things:

- that the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum) including English, mathematics and science;
- the school shall make Provision for the teaching of religious education and provide a daily act of collective worship;
- that it provides education for pupils of different abilities;
- that it provides education for pupils who live and worship in the parish of St Mary's as laid out in our admission criteria;
- it also provides education for pupils who live within the area of the school.

The Aims of the academy during the period ended 31 August 2016 are summarised below.

St Mary's C of E Primary and Nursery Academy, Handsworth Mission Statement is:

#### **Mission Statement & Aims**

At St Mary's School we work together to create excellence. We encourage children to achieve their full potential in terms of academic attainment and personal, social, spiritual and moral development. We aim to achieve this within a Christian ethos, which encourages respect for and understanding of different faiths and cultures.

#### **Ethos Statement**

Recognising its historic foundation, the school will preserve and develop its religious character in accordance with the principles of the Church of England its partnership with the church parish and the Diocese.

The school aims to serve its multi-faith community by providing an education of the highest quality within the context of Christian belief and practice. It encourages an understanding of the meaning and significance of faith and promotes Christian values through the experience it offers to all its pupils.

At St Mary's we believe everyone thrives in a happy, secure and caring environment. It is an essential part of our Christian ethos that peace, love and caring for others should be the core values that everyone respects and agrees. We believe that education, strengthened by faith, is the vehicle with which children can achieve their full potential.

## **Trustees' report (continued)**

### **School Culture**

At St Mary's we aim to provide opportunities and experiences for everyone to learn and develop their social, creative and academic skills within a motivating and stimulating church school ethos and environment.

We aim to:

- Foster an environment that is enriched spiritually, morally and socially through the Christian faith;
- Value each child as an individual, regardless of faith, ability, gender or ethnicity;
- Nurture children to be polite, respectful and considerate towards one another;
- Offer a range of opportunities and experiences to develop their confidence, self-esteem and independence;
- Encourage each child to fulfil their individual potential within all areas of the curriculum;
- Promote knowledge and understanding through a secure, stimulating and enriched environment;
- Create a broad educational experience that is enriched both morally and spiritually through partnership with staff, governors, parents, the local community, parishes of St Mary's and Birmingham Diocese;
- To enable each child to value themselves and have aspirations for the future;
- To recognise everyone's place in the wider community.

### **Objectives, strategies and activities**

The Academy Self Evaluation identified specific School Development focuses for this year including the following:

#### Targets for September 2015— July 2016

**Priority 1** - Improve outcomes for all pupils by:

- a) Ensure high levels of attainment across all phases with a particular emphasis on;  
EYFS - Increase the proportion of children exceeding Early Learning Goals in all areas but especially in Writing and Number.  
KS1 - To increase the proportion of pupils exceeding age appropriate expectations at the end of KS1 especially in Maths and writing.  
KS2 - To ensure all current pupils make substantial and sustained progress in all core subjects and a high proportion of them exceed expected progress in English and Mathematics and the school KS2 results 2016 revert to previous success levels.
- b) To ensure any gaps in the progress and attainment of groups are closed and that those groups perform similar to those nationally.

**Priority 2** - Improve the quality of teaching, learning and assessment and increase the percentage of outstanding teaching by:

- a) Continuing to ensure that pupils receive sharper guidance on how to improve their work and sufficient opportunities to respond to feedback and, thereby achieve even higher standards (From OFSTED report 2012)
- b) Continue to ensure that all activities include tasks that are challenging enough to secure the best possible progress for the more able pupils, especially in Key Stage 1. (From OFSTED report 2012)

**Priority 3** - Continue to develop outstanding leadership and management by:

- a) Leaders will ensure the school keeps improving its performance and focus on the impact of their actions.
- b) Fully embed the new National Curriculum and review assessment procedures in light of the changes.
- c) Continue to prepare pupils positively for life in modern Britain and promote British Values as well as ensuring the continued development of SMSC development.

### **Trustees' report (continued)**

- d) Constantly review the effectiveness of safeguarding policy and practice as well as ensuring all staff and governors have received the Local Authority Prevent training.

**Priority 4** - Maintain the outstanding personal development, behaviour and welfare by:

- a) Ensure all aspects of bullying continue to be monitored and addressed swiftly.

**Priority 5** - Maintain the outstanding provision for Early Years by:

- a) Increase overall percentage of attainment by 2%  
b) Introduce new baseline assessment

### **Key priorities 2016/2017**

Our key priorities have been developed through detailed self-evaluation. St Mary's C of E Primary and Nursery Academy, Handsworth will continue to focus on the development of teaching and learning across all areas of the curriculum and to ensure that pupils are making at least expected progress and attainment.

1. Improve outcomes for all pupils especially in mathematics
2. Improve the quality of teaching, learning and assessment to increase % of outstanding teaching especially in mathematics
3. Continue to develop outstanding leadership and management
4. Maintain outstanding personal development, behaviour and welfare
5. Maintain outstanding provision for Early Years.

### **Public benefit**

We have referred to the guidance contained in the Charity Commissions' general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

At St Mary's we believe everyone thrives in a happy, secure and caring environment. It is an essential part of our Christian ethos that peace, love and caring for others should be the core values that everyone respects and agrees. We believe that education, strengthened by faith, is the vehicle with which children can achieve their full potential.

## **Strategic Report**

### **Achievements and Performance**

#### **Key performance indicators**

Our key achievements in 2016 with comparatives to previous years and national benchmarks are as follows:

<b>EYFS - GLD</b>
82%

**Previous year 82% National 66%**

#### **Year 1 Phonics**

<b>Phonics</b>
93%

**Previous year 91% National 81%**



**Trustees' report (continued)**

**Key stage 1 SATs**

	Expected +	National	Greater Depth	National
Reading	89%	74%	22%	24%
Writing	87%	65%	17%	13%
Maths	87%	73%	24%	18%

**No direct comparison to previous year**

**Key stage 2 SATs**

	Expected +	National	Greater Depth	National
Reading	69%	66%	10%	19%
Writing	88%	71%	2%	15%
Maths	60%	70%	10%	17%
SPAG	71%	72%	12%	23%

**No direct comparison to previous year**

**Progress scores**

Reading	-2.4
Writing	-1.0
Maths	-3.5

**Pupil numbers**

Pupil numbers are currently;

Year Group	Number on roll 400	Waiting list (NB*In process of being updated not all will still want a place and some places are being offered)
N	43	0
R	60	24
1	60	38
2	60	15
3	46	65
4	45	52
5	45	37
6	41	30

- Direct costs as a percentage of total costs were 75.8% (2015 : 77.8%)
- Support costs as a percentage of total costs were 24.2% (2015 : 21.8%)
- Total payroll costs as a percentage of recurring income were 77.5% (2015 : 72.9%)

**Going concern**

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy 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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

## **Trustees' report (continued)**

### **Financial Review**

The financial results of St Mary's C of E Primary and Nursery Academy, Handsworth are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the EFA and requirements as laid down by the Academy's Financial Handbook.

The principal funding source is grant income from the EFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the year ended 31 August 2016 total resources expended were £2,197,220 and the surplus of expenditure over income was £187,536 which included depreciation of £65,297.

### **Reserves Policy**

The Trustees continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the Governing Body's general policy to continue to build reserves which can be used for future educational purposes.

The Academy had total funds at 31 August 2016 of £1,711,679 which included £3,298 restricted funds not available for general purposes of the Academy Trust, £27,591 of free reserves defined as unrestricted funds available for general purposes and £2,602,790 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £30,889.

In addition, the deficit on the restricted pension fund of £922,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The Finance Committee has reviewed these reserves and believes they are adequate to provide sufficient working capital for the Academy to continue to operate within its financial resources, and to cover unexpected urgent work.

### **Investment Policy**

The Trustee Body is responsible for setting investment policy. This day to day responsibility for managing this function is the responsibility of the Executive Head Teacher. There are no material investments held by the academy.

### **Principal Risks and Uncertainties**

The trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the operational areas of the site and facilities, of teaching and the finances. The trustees have implemented a system to assess risks that the school faces, especially in the operational areas which includes teaching, health and safety and in relation to the control of finance. The trustees have introduced systems, including operational procedures and internal financial controls, in order to minimise risk.

The principal financial risk facing the Academy is that funding is dependent upon pupil numbers. Pupil numbers are currently healthy but Governors are aware that, in the long term, there is always a possibility it may face falling rolls due to low local birth rate or be affected by the reputation of the school. Governors do not currently consider this to be a high risk. However trustees are increasing pupil numbers in liaison with the LA and are exploring opening a Nursery class to impact positively on pupil numbers.

**St Mary's C of E Primary and Nursery Academy, Handsworth**  
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**Trustees' report (continued)**

The Academy's future funding is also dependent upon Government Policy for Education. The Impact on St Mary's C of E Primary and Nursery Academy, Handsworth of any review of Schools' Funding will be assessed accordingly.

The Local Government Pension Scheme, a defined benefit scheme, is currently in deficit. The on-going contributions required, determined following a recent actuarial valuation, are considered to be manageable and within the academy's budget.

**Plan for Future Periods**

Governors recognise the impact of the learning environment on the levels of pupil achievements and continue to develop and improve the teaching, learning and whole school environment in a continually evolving education system. They actively seek to improve the school building and space available for pupils. There is a planned programme of building to accommodate increased pupil numbers moving forward which starts in September 2016. This will be funded through the Local Authority.

Governors are committed to support and challenge the academy in order to maintain the extremely high levels of achievement the pupils currently attain.

**Funds Held as Custodian Trustee on Behalf of Others**

There are no Funds held as Custodian Trustee on behalf of others.

**Disclosure of information to Auditor**

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 auditor is 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 auditor is aware of that information.

**Auditor**

The auditor, Feltons, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16 December 2016 and signed on the board's behalf by:



Mr David Bagley - Chair of Trustees

## **St Mary's C of E Primary and Nursery Academy, Handsworth (A Company Limited by Guarantee)**

### **Governance statement**

#### **Scope of Responsibility**

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

The board of Trustees has delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Mary's C of E Primary and Nursery Academy, Handsworth and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

#### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The board of Trustees has formally met 7 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr D Bagley	8	8
Mr J Sehjal	4	8
Ms M Edwards	6	8
Mr M Ewins	6	8
Mr S Mahandru	7	8
Mr N Caulkin – ceased Nov 15	2	2
Ms H France	5	8
Mrs E Lubin	6	8
Mrs S Lyman Ward	7	8
Mrs S Dooley	4	8
Rev Dr R Steven	6	8
Mrs A Sturridge-Packer	8	8
Miss M Woodley	8	8
Miss R Cammish	7	7
Mrs A Insular-Butcher	6	6
Miss M Johnson	3	6

#### **Governance reviews:**

In November 2015, the Trustee Body took part in a Governance review through the Governance Forum to undertake a diagnostic assessment of Governance and establish a development plan for further improvement. The assessment demonstrated that the Trustee Body was operating successfully at Level 3 of the assessment scale, (Resources, Competency and Execution) demonstrating that the academy has systems and processes in place to meeting its legal and statutory requirements and governance best practice statements. A review is carried out annually with Sharon Warmington from Governance support.

**St Mary's C of E Primary and Nursery Academy, Handsworth**  
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**Governance statement (continued)**

Finance Committee

Trustee	Meetings attended	Out of a possible
Dave Bagley	4	4
Ava Sturridge-Parker	4	4
M Ewins	3	4
S Mahandru	1	4
H France	3	4
E Lubin	3	4
S Lyman-Ward	4	4

**Review of value for money**

I accept that as accounting officer of **St Mary's C of E Primary and Nursery Academy, Handsworth Trust** I am responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

The Governing Body of the Academy Trust is accountable for the way in which resources are allocated to meet the objectives in the Academy's development plans; ensuring the best possible outcomes are achieved for pupils.

The Academy Trust, the Head Teacher as a National Leader, St Mary's as a National Support School and Teaching School is committed to raising pupil attainment and this is demonstrated below.

Results for EYFS, year 1 phonics, Year 2 SAT's and year 6 SAT'S are, with the exception of KS2 Maths, all above floor targets with EYFs and KS1 above national. **KS2 progress data is above floor.**

Results for the academic year 2015/15 were as follows:-

<b>EYFS</b>
<b>-</b>
<b>GLD</b>
<b>82%</b>

**Year 1 Phonics**

<b>Phonics</b>
<b>93%</b>

**Governance statement (continued)**

**Key stage 1 SATs**

	Expected +	Greater Depth
Reading	89%	22%
Writing	87%	17%
Maths	87%	24%

**Key stage 2 SATs**

	Expected +	Greater Depth
Reading	69%	10%
Writing	88%	2%
Maths	60%	10%
SPAG	71%	12%

An extensive programme of lesson observations is operated with a rigorous tracking of pupil progress and achievement in place; underachievement is identified early and appropriate interventions put in place which ensures our excellent pupil outcomes. The trust works in partnership with other schools in its role as a teaching school. In addition to this the Executive Head Teacher and other staff provide training and support for their own and other schools alongside programmes for CPD. Pupils are well supported through the careful planning and deployment of the staffing structure and additional support is given to those individual pupils who require it, not only to improve or stretch academic progress but to support their emotional, social and behavioural needs.

The Academy is currently at the national average for attendance and achieved outstanding in all areas and an overall grade of outstanding in The OFSTED in July 2012.

Pupil Premium monies have been allocated to optimal effect to impact on improving attainment for pupils on Free School Meals as there are no looked after children currently attending St Mary's C of E Primary and Nursery Academy, Handsworth. The curriculum is enriched and enhanced with the employment of two expert target teachers who have made a significant impact on our overall results with the focus on Maths and English, an assigned teacher works 1:1 with pupils in Key Stage 1 and 2 to impact on the individual targets of pupil premium pupils to support accelerated progress. Additional staffing is employed to provide 1:1 support to accelerate pupil progress.

Mr Platt – mathematics

Mrs Holton – Grammar & Punctuation

Mrs Bains – Extra support for individual targeted needs.

A specialist leader of education (SLE) in PE works in collaboration with the school to develop the PE curriculum. Additional physical education clubs are provided by an external sports company.

The Executive Head Teacher as the accounting officer ensures that robust systems and policies are in place to carry out the appropriate checks of all financial systems. Financial governance and oversight is done by way of effective systems and procedures within the Academy. Financial reports are presented to the Governing Body at Finance Committee meetings termly that allows thorough monitoring of the school budget and cash flow. The Governing Body approves the annual budget forecast; this is led by the Chair and Vice Chair of Governors who have a considerable financial and business background.

The Tendering policy ensures that tenders/quotes are obtained as appropriate, to ensure value for money with all products and services over a £5,000 limit. All contracts are reviewed on an annual basis for the best value to ensure they are still fit for purpose. An example of this is the new photocopier system which impacts

### **Governance statement (continued)**

positively on the amount of ink used in printers thus providing better value for money. Currently all services have been retained on BCC which included payroll and human resources.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in St Mary's C of E Primary and Nursery Academy, Handsworth for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint DRB Management Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems

- testing of personnel payroll systems , putting on to system correctly (actuals).
- testing of purchase systems , invoicing (raised, delivered and paid)
- testing of accounting systems/ bank reconciliations
- Reports and returns, documents (check) EG. Financial Handbook, Risk Register, Value for money state.
- Income

On a termly basis, the internal auditor reports to the board of Trustees on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

**Governance statement (continued)**

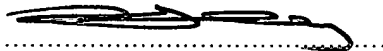
**Review of Effectiveness**

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

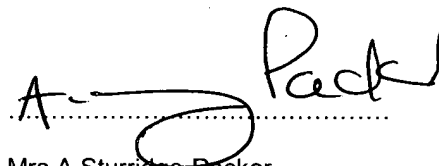
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- The work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 16<sup>th</sup> December 2016 and signed on its behalf by:



Mr D Bagley  
Chair of Governors



Mrs A Sturridge-Packer  
Accounting Officer

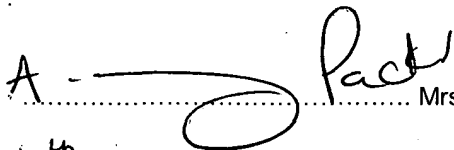


**Statement of regularity, propriety and compliance**

As accounting officer of St Mary's C of E Primary and Nursery Academy, Handsworth I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

A -  Packer

Mrs A Sturridge-Packer – Accounting Officer

16<sup>th</sup> December 2016

**St Mary's C of E Primary and Nursery Academy, Handsworth**  
**(A Company Limited by Guarantee)**

**Statement of Trustees' Responsibilities**

The trustees (who act as governors of St Mary's C of E Primary and Nursery Academy, Handsworth and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

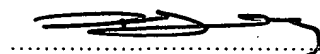
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of trustees on 16<sup>th</sup> December 2016 and signed on its behalf by:

 ..... Mr D Bagley – Chair of Trustees

**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of  
St Mary's C of E Primary and Nursery Academy, Handsworth**

We have audited the financial statements of St Mary's C of E Primary and Nursery Academy, Handsworth (A Company Limited by Guarantee) for the period ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) ) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

**Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees' responsibilities (set out on page 16), the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements :

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

**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of St Mary's C of E  
Primary and Nursery Academy, Handsworth  
(continued)**

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept; or
- 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 the audit.

*Feltons*

**David W Farnsworth FCA (Senior Statutory Auditor)**

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

16.. December 2016

**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to St Mary's C of E Primary and Nursery Academy, Handsworth and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 6 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the St Mary's C of E Primary and Nursery Academy, Handsworth Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of St Mary's C of E Primary and Nursery Academy, Handsworth Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of St Mary's C of E Primary and Nursery Academy, Handsworth Trust's funding agreement with the Secretary of State for Education dated 28 January 2013 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes :

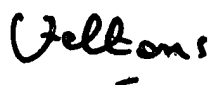
- Consideration of the applicable legislation and the Academy Trust's Funding Agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
  
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to St Mary's C of E Primary  
and Nursery Academy, Handsworth and the Education Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**David W Farnsworth FCA (Senior Statutory Auditor)**

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

**16** December 2016

**St Mary's C of E Primary and Nursery Academy, Handsworth**  
**(A Company Limited by Guarantee)**

**Statement of financial activities for the year ended 31 August 2016**  
**(including income and expenditure account)**

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
<b>Income from :</b>							
Donations and capital grants	2	104	-	-	7,960	8,064	8,194
Funding for the academy trust's educational operations	3	-	-	1,851,827	-	1,851,827	1,761,476
Other income from Academy educational operations	4	149,578	-	-	-	149,578	362,139
Investments	5	215	-	-	-	215	226
<b>Total</b>		<b>149,897</b>	<b>-</b>	<b>1,851,827</b>	<b>7,960</b>	<b>2,009,684</b>	<b>2,132,035</b>
<b>Expenditure on :</b>							
Charitable activities: Academy trust's educational operations	6	168,681	36,000	1,927,242	65,297	2,197,220	2,295,518
<b>Total</b>		<b>168,681</b>	<b>36,000</b>	<b>1,927,242</b>	<b>65,297</b>	<b>2,197,220</b>	<b>2,295,518</b>
<b>Net income/(expenditure) before transfers</b>		<b>(18,784)</b>	<b>(36,000)</b>	<b>(75,415)</b>	<b>(57,337)</b>	<b>(187,536)</b>	<b>(163,483)</b>
<b>Transfers between funds</b>	14	<b>(20,000)</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure) after transfers</b>		<b>(38,784)</b>	<b>(36,000)</b>	<b>(55,415)</b>	<b>(57,337)</b>	<b>(187,536)</b>	<b>(163,483)</b>
<b>Other recognised gains/(losses)</b>							
Actuarial gains/(losses) on defined benefit pension schemes	14, 21	-	(380,000)	-	-	(380,000)	(53,000)
<b>Net movement in funds</b>		<b>(38,784)</b>	<b>(416,000)</b>	<b>(55,415)</b>	<b>(57,337)</b>	<b>(567,536)</b>	<b>(216,483)</b>
<b>Reconciliation of funds</b>							
Total funds brought forward	14	66,375	(506,000)	58,713	2,660,127	2,279,215	2,495,698
<b>Total funds carried forward</b>		<b>27,591</b>	<b>(922,000)</b>	<b>3,298</b>	<b>2,602,790</b>	<b>1,711,679</b>	<b>2,279,215</b>

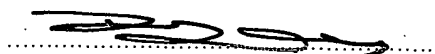
All of the Academy's activities derive from continuing operations during the above two financial periods.

**St Mary's C of E Primary and Nursery Academy, Handsworth**  
**(A Company Limited by Guarantee)**

**Company number : 08296506**  
**Balance sheet as at 31 August 2016**

	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		2,597,190		2,660,127
<b>Current assets</b>					
Debtors	12	71,398		101,096	
Cash at bank and in hand		<u>64,272</u>		<u>140,171</u>	
		135,670		241,267	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	<u>99,181</u>		<u>116,179</u>	
<b>Net current assets</b>			36,489		125,088
<b>Total assets less current liabilities</b>			<u>2,633,679</u>		<u>2,785,215</u>
<b>Net assets excluding pension liability</b>			<u>2,633,679</u>		<u>2,785,215</u>
Defined benefit pension scheme liability	21		(922,000)		(506,000)
<b>Total net assets</b>			<u><u>1,711,679</u></u>		<u><u>2,279,215</u></u>
<b>Funds of the academy trust :</b>					
<b>Restricted funds</b>					
Fixed asset fund	14	2,602,790		2,660,127	
General fund	14	3,298		58,713	
Pension reserve	14	<u>(922,000)</u>		<u>(506,000)</u>	
<b>Total restricted funds</b>			1,684,088		2,212,840
<b>Unrestricted income funds</b>	14		27,591		66,375
<b>Total funds</b>			<u><u>1,711,679</u></u>		<u><u>2,279,215</u></u>

The financial statements on pages 21 to 43 were approved by the trustees, and authorised for issue on 16<sup>th</sup> December 2016 and are signed on their behalf by:



Mr D Bagley - Chair of Trustees



**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**Statement of cash flows for the year ended 31 August 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by / (used in) operating activities	17	(81,714)	(637)
<b>Cash flows from investing activities</b>	18	5,815	(23,002)
<b>Change in cash and cash equivalents in the reporting period</b>		(75,899)	(23,639)
Cash and cash equivalents at 1 September 2015		140,171	163,810
<b>Cash and cash equivalents at 31 August 2016</b>	19	<u>64,272</u>	<u>140,171</u>

**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2016**

**1. Statement of accounting policies**

**Basis of preparation**

The financial statements of the academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St Mary's CofE Primary and Nursery Academy, Handsworth meets the definition of a public benefit entity under FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of St Mary's CofE Primary and Nursery Academy, Handsworth prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of St Mary's CofE Primary and Nursery Academy, Handsworth for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

**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 company 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.

**Income**

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**1. Statement of accounting policies (continued)**

**Income (continued)**

- **Grants (continued)**

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

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

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

**Expenditure**

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**1. Statement of accounting policies (continued)**

**Expenditure (continued)**

- **Charitable activities**

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 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.

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

Leasehold buildings	- straight line over 50 years
Fittings and equipment	- 25% straight line
Computer hardware	- 25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

**Debtors**

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

**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**1. Statement of accounting policies (continued)**

**Liabilities**

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

**Leased assets**

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

**Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

**Pension 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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 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.

**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**1. Statement of accounting policies (continued)**

**Pension benefits (continued)**

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

**Fund accounting**

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

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

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

**Critical accounting estimates and areas of judgement**

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**St Mary's C of E Primary and Nursery Academy, Handsworth  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**2. Donations and capital grants**

	Unrestricted funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Capital grants	-	7,960	7,960	7,785
Other donations	104	-	104	409
	<u>104</u>	<u>7,960</u>	<u>8,064</u>	<u>8,194</u>
<b>2015 total</b>	<u>409</u>	<u>7,785</u>	<u>8,194</u>	

**3. Funding for the Academy Trust's educational operations**

	Restricted general fund £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	1,370,576	-	1,370,576	1,331,063
Other DfE/EFA grants	230,328	-	230,328	213,625
	<u>1,600,904</u>	<u>-</u>	<u>1,600,904</u>	<u>1,544,688</u>
<b>Other government grants</b>				
Local authority grants	162,059	-	162,059	135,338
Other government grants	88,864	-	88,864	81,450
	<u>250,923</u>	<u>-</u>	<u>250,923</u>	<u>216,788</u>
	<u>250,923</u>	<u>-</u>	<u>250,923</u>	<u>216,788</u>
	<u>1,851,827</u>	<u>-</u>	<u>1,851,827</u>	<u>1,761,476</u>
<b>2015 total</b>	<u>1,761,476</u>	<u>-</u>	<u>1,761,476</u>	

**4. Other income**

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Extended school	45,731	-	45,731	28,425
Educational visits	7,781	-	7,781	8,984
Teaching school	87,033	-	87,033	301,321
Miscellaneous	9,033	-	9,033	23,409
	<u>149,578</u>	<u>-</u>	<u>149,578</u>	<u>362,139</u>
<b>2015 total</b>	<u>362,139</u>	<u>-</u>	<u>362,139</u>	

**St Mary's C of E Primary and Nursery Academy, Handsworth**  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**5. Investment income**

	Unrestricted funds £	Total 2016 £	Total 2015 £
Short term deposits	215	215	226
<b>2015 total</b>	<b>226</b>	<b>226</b>	

**6. Resources expended**

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
Direct costs	1,361,635	46,433	257,858	1,665,926	1,786,770
Allocated support costs	195,560	150,083	185,651	531,294	508,748
	<u>1,557,195</u>	<u>196,516</u>	<u>443,509</u>	<u>2,197,220</u>	<u>2,295,518</u>
<b>2015 total</b>	<b>1,553,226</b>	<b>170,485</b>	<b>571,807</b>	<b>2,295,518</b>	

Net incoming/(outgoing) resources for the year include :

		Total 2016 £	Total 2015 £
Operating leases	- other	1,327	1,990
Depreciation		65,297	42,507
Exceptional item for 2015		-	95,013
Fees payable to auditor	- audit	9,260	6,020
	- other services	<u>1,425</u>	<u>450</u>



**St Mary's C of E Primary and Nursery Academy, Handsworth**  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**7. Charitable activities**

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2016 £	Total 2015 £
<b>Educational operations</b>					
Direct costs	167,314	-	1,498,612	1,665,926	1,786,770
Support costs	1,367	36,000	493,927	531,294	508,748
	<u>168,681</u>	<u>36,000</u>	<u>1,992,539</u>	<u>2,197,220</u>	<u>2,295,518</u>
<b>2015 total</b>	<u>325,049</u>	<u>35,000</u>	<u>1,935,469</u>	<u>2,295,518</u>	
<b>Analysis of support costs</b>					
Support staff	-	36,000	159,560	195,560	186,435
Depreciation	-	-	18,864	18,864	10,201
Technology costs	-	-	16,888	16,888	13,869
Premises costs	-	-	131,219	131,219	86,113
Other support costs	1,367	-	150,557	151,924	203,501
Governance costs	-	-	16,839	16,839	8,629
<b>Total support costs</b>	<u>1,367</u>	<u>36,000</u>	<u>493,927</u>	<u>531,294</u>	<u>508,748</u>
<b>2015 total</b>	<u>4,822</u>	<u>35,000</u>	<u>468,926</u>	<u>508,748</u>	

**8. Staff**

**a) Staff costs**

Staff costs during the period were:

	Total 2016 £	Total 2015 £
Wages and salaries	1,020,062	967,262
Social security costs	79,146	68,387
Operating costs of defined benefit pension schemes	207,901	173,042
	<u>1,307,109</u>	<u>1,208,691</u>
Supply staff costs	250,086	260,672
Staff restructuring costs	-	83,863
	<u>1,557,195</u>	<u>1,553,226</u>

**St Mary's C of E Primary and Nursery Academy, Handsworth  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**8. Staff (continued)**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Staff restructuring costs comprise :		
Redundancy payments	-	-
Severance payments	-	19,017
Other restructuring costs	-	64,846
	<u>-</u>	<u>83,863</u>

**b) Staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2015 : £19,017).

**c) Staff numbers**

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

	<b>2016 Number</b>	<b>2015 Number</b>
<b>Charitable activities</b>		
Teachers	29	29
Administration and support	13	13
Management	3	5
	<u>45</u>	<u>47</u>

**d) Higher paid staff**

	<b>Total 2016 Number</b>	<b>Total 2015 Number</b>
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The number of employees whose emoluments (excluding employer pension costs) exceeded £60,000 was :

£110,001 - £120,000	<u>1</u>	<u>1</u>
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**e) Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £256,071 (2015: £247,284).

**St Mary's C of E Primary and Nursery Academy, Handsworth  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**9. Related Party Transactions - Trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows :

Mrs A Sturridge-Packer (principal and trustee)	
Remuneration	£115,000 - £120,000 (2015 : £115,000 - £120,000)
Employer's pension contributions paid	£15,000 - £20,000 (2015 : £15,000 - £20,000)
Ms M Woodley (staff trustee)	
Remuneration	£45,000 - £50,000 (2015 : £45,000 - £50,000)
Employer's pension contributions paid	£5,000 - £10,000 (2015 : £5,000 - £10,000)
Miss R Cammish (staff trustee)	
Remuneration	£25,000 - £30,000 (2015 : £nil)
Employer's pension contributions paid	£nil - £5,000 (2015 : £nil)

During the year ended 31 August 2016, travel and subsistence expenses totalling £262 (2015 : £425) were reimbursed or paid directly to 1 (2015 : 1) trustee. Other related party transactions involving the trustees are set out in note 23.

**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 £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £778 (2015 : £575). The cost of this insurance is included in the total insurance cost.

**St Mary's C of E Primary and Nursery Academy, Handsworth  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**11. Tangible fixed assets**

	<b>Leasehold land and buildings £</b>	<b>Fittings and equipment £</b>	<b>Computer hardware £</b>	<b>Total £</b>
<b>Cost or valuation</b>				
At 1 September 2015	2,715,107	6,236	35,377	2,756,720
Additions	-	-	2,360	2,360
Disposals	-	-	-	-
At 31 August 2016	<u>2,715,107</u>	<u>6,236</u>	<u>37,737</u>	<u>2,759,080</u>
<b>Depreciation</b>				
At 1 September 2015	83,096	3,560	9,937	96,593
Charge for the year	54,302	1,559	9,436	65,297
At 31 August 2016	<u>137,398</u>	<u>5,119</u>	<u>19,373</u>	<u>161,890</u>
<b>Net book values</b>				
At 31 August 2016	<u>2,577,709</u>	<u>1,117</u>	<u>18,364</u>	<u>2,597,190</u>
At 31 August 2015	<u>2,632,011</u>	<u>2,676</u>	<u>25,440</u>	<u>2,660,127</u>

Leasehold property was valued at 1 February 2013 by The Valuation Office Agency – DVS and the fittings and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2016 is represented by :

	<b>Leasehold land and buildings £</b>	<b>Fittings and equipment £</b>	<b>Computer hardware £</b>	<b>Total £</b>
Valuation in 2013	2,691,660	-	-	2,691,660
Cost	23,447	6,236	37,737	67,420
	<u>2,715,107</u>	<u>6,236</u>	<u>37,737</u>	<u>2,759,080</u>

**St Mary's C of E Primary and Nursery Academy, Handsworth**  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**12. Debtors**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Debtors from operations	-	28,629
VAT recoverable	6,363	5,070
Prepayments and accrued income	46,960	59,400
Other debtors	18,075	7,997
	<u>71,398</u>	<u>101,096</u>

**13. Creditors**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Creditors from operations	-	18,970
Accruals and deferred income	99,181	91,209
Other creditors	-	6,000
	<u>99,181</u>	<u>116,179</u>

**Deferred income**

Deferred income at 1 September 2015	22,178	23,065
Resources deferred in the year	28,934	22,178
Amounts released from previous years	<u>(22,178)</u>	<u>(23,065)</u>
Deferred income at 31 August 2016	<u>28,934</u>	<u>22,178</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals for autumn 2016 term.

**St Mary's C of E Primary and Nursery Academy, Handsworth  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**14. Funds**

	Balance at 31 August 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	58,713	1,370,576	(1,445,991)	20,000	3,298
Other DfE/EFA grants	-	230,328	(230,328)	-	-
Other grants	-	250,923	(250,923)	-	-
	<u>58,713</u>	<u>1,851,827</u>	<u>(1,927,242)</u>	<u>20,000</u>	<u>3,298</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	2,609,501	-	(32,102)	-	2,577,399
DfE/EFA capital grants	12,514	7,960	(27,794)	-	(7,320)
Capital expenditure from GAG	38,112	-	(5,401)	-	32,711
	<u>2,660,127</u>	<u>7,960</u>	<u>(65,297)</u>	<u>-</u>	<u>2,602,790</u>
<b>Pension reserve</b>	<u>(506,000)</u>	<u>-</u>	<u>(36,000)</u>	<u>(380,000)</u>	<u>(922,000)</u>
<b>Total restricted funds</b>	<u>2,212,840</u>	<u>1,859,787</u>	<u>(2,028,539)</u>	<u>(360,000)</u>	<u>1,684,088</u>
<b>Unrestricted funds</b>					
Other income	66,375	149,897	(168,681)	(20,000)	27,591
<b>Total unrestricted funds</b>	<u>66,375</u>	<u>149,897</u>	<u>(168,681)</u>	<u>(20,000)</u>	<u>27,591</u>
<b>Total funds</b>	<u>2,279,215</u>	<u>2,009,684</u>	<u>(2,197,220)</u>	<u>(380,000)</u>	<u>1,711,679</u>

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

**Restricted general funds**

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education Funding Agency and Birmingham City Council.

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

The trust is carrying a net surplus of £30,889 on restricted general funds (excluding pension reserve) plus unrestricted funds.

**Unrestricted funds**

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

**Restricted fixed asset funds**

These comprise resources which are to be applied to specific capital purposes imposed by The Education Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

**St Mary's C of E Primary and Nursery Academy, Handsworth  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**15. Analysis of net assets between funds**

Fund balances at 31 August 2016  
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	2,597,190	2,597,190
Current assets	27,591	-	102,479	5,600	135,670
Current liabilities	-	-	(99,181)	-	(99,181)
	<u>27,591</u>	<u>-</u>	<u>3,298</u>	<u>2,602,790</u>	<u>2,633,679</u>
Pension scheme liability	-	(922,000)	-	-	(922,000)
<b>Total net assets</b>	<u>27,591</u>	<u>(922,000)</u>	<u>3,298</u>	<u>2,602,790</u>	<u>1,711,679</u>

**16. Commitments under operating leases**

At 31 August 2016 the total of the Academy  
Trust's future minimum lease payments under non-  
cancellable operating leases was:

	Land and buildings		Other	
	Total 2016	Total 2015	Total 2016	Total 2015
	£	£	£	£
Amounts due within one year	-	-	-	1,990
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,990</u>

**17. Reconciliation of net income/(expenditure) to net cash flow  
from operating activities**

	Total 2016 £	Total 2015 £
Net income/(expenditure) for reporting period (as per the SoFA on page 21)	(187,536)	(163,483)
Depreciation (note 11)	65,297	42,507
Capital grants from EFA and other capital income	(7,960)	(7,785)
Interest receivable (note 5)	(215)	(226)
Defined benefit pension scheme cost less contributions payable	107,000	44,000
Defined benefit pension scheme finance cost/(income) (note 21)	(71,000)	(9,000)
Decrease / (increase) in debtors	29,698	66,495
Increase / (decrease) in creditors	(16,998)	26,855
<b>Net cash provided by / (used in) operating activities</b>	<u>(81,714)</u>	<u>(637)</u>

**St Mary's C of E Primary and Nursery Academy, Handsworth  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**18. Cash flows from investing activities**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Interest received	215	226
Purchase of tangible fixed assets	(2,360)	(31,013)
Capital grants from DfE/EFA	7,960	7,785
<b>Net cash provided by / (used in) investing activities</b>	<b>5,815</b>	<b>(23,002)</b>

**19. Analysis of cash and cash equivalents**

	<b>At 31 August 2016 £</b>	<b>At 31 August 2015 £</b>
Cash at bank and in hand	64,272	140,171
	<b>64,272</b>	<b>140,171</b>

**20. Member's 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.

**21. 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 West Midlands Pension Fund. 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 2013.

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



**St Mary's C of E Primary and Nursery Academy, Handsworth  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**21. Pension and similar obligations (continued)**

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £99,306 (2015 : £80,201).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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.

**St Mary's C of E Primary and Nursery Academy, Handsworth  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**21. Pension and similar obligations (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £93,000 (2015 : £76,748), of which employer's contributions totalled £73,000 (2015 : £57,842) and employees' contributions totalled £20,000 (2015 : £18,906). The agreed contribution rates for future years are 15.8% for employers and between 5.5% and 5.8% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 24 years.

**Principal actuarial assumptions**

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
Rate of increase in salaries	3.75%	4.15%
Rate of increase for pensions in payment / inflation	2.00%	2.40%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	2.00%	2.40%
Commutation of pensions to lump sums	50.00%	50.00%

**Sensitivity analysis**

	<b>As disclosed</b>	<b>Discount rate</b>	<b>Pension increases</b>	<b>In life expectancy</b>
	<b>£'000s</b>	<b>+ 0.1% pa £'000s</b>	<b>+ 0.1% pa £'000s</b>	<b>+ 1 year £'000s</b>
Present value of total obligation	1,661	1,622	1,693	1,701
Projected service cost	132	129	135	135
	<b>£'000s</b>	<b>- 0.1% pa £'000s</b>	<b>- 0.1% pa £'000s</b>	<b>- 1 year £'000s</b>
Present value of total obligation	1,661	1,703	1,629	1,620
Projected service cost	132	135	129	129

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

	<b>At 31 August 2016</b>	<b>At 31 August 2015</b>
Retiring today		
Males	23.1	23.0
Females	25.8	25.2
Retiring in 20 years		
Males	25.3	25.6
Females	28.1	28.0

**St Mary's C of E Primary and Nursery Academy, Handsworth  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**21. Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

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

	<b>Fair value at 31 August 2016 £</b>	<b>Fair value at 31 August 2015 £</b>
Equities	439,000	319,000
Government bonds	51,000	40,000
Other bonds	63,000	54,000
Property	59,000	45,000
Cash/liquidity	47,000	27,000
Other	80,000	49,000
<b>Total market value of assets</b>	<b>739,000</b>	<b>534,000</b>

The actual return on scheme assets was £113,000 (2015 : £22,000).

	<b>2016 £</b>	<b>2015 £</b>
<b>Amount recognised in the statement of financial activities</b>		
Current service cost (net of employee contributions)	90,000	77,000
Net interest cost	19,000	18,000
<b>Total operating charge</b>	<b>109,000</b>	<b>95,000</b>

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

	<b>2016 £</b>	<b>2015 £</b>
<b>At 1 September 2015</b>	<b>1,040,000</b>	<b>860,000</b>
Current service cost	90,000	77,000
Interest cost	42,000	37,000
Change in financial assumptions	470,000	47,000
Employee contributions	20,000	19,000
Benefits paid	(1,000)	-
<b>At 31 August 2016</b>	<b>1,661,000</b>	<b>1,040,000</b>

**St Mary's C of E Primary and Nursery Academy, Handsworth  
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**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**21. Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

**Changes in the fair value of academy's share of scheme assets were as follows :**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>At 1 September 2015</b>	534,000	442,000
Interest in assets	23,000	19,000
Return on assets less interest	90,000	3,000
Employer contributions	73,000	51,000
Employee contributions	20,000	19,000
Benefits paid	(1,000)	-
<b>At 31 August 2016</b>	<b>739,000</b>	<b>534,000</b>
<b>Net pension scheme liability</b>	<b>(922,000)</b>	<b>(506,000)</b>

**22. Related party transactions**

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

The following related party transactions took place during the period:

**drb Group**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Company in which Trustee, D.Bagley, is a director		
Services recharged to related company during the year	24,909	26,880
Amount due to related company at year end	-	2,270

The trust conducted this transaction at arms' length following a competitive tendering exercise in accordance with its financial regulations, which D Bagley neither participated in, nor influenced.

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2015.

**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**Notes to the financial statements for the year ended 31 August 2016 (continued)**

**22. Related party transactions (continued)**

**St Michael's CE Academy**

An academy where support is provided by the Executive Head Teacher and the leadership team of St Mary's CE Academy

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Services recharged to related company during the year	71,003	73,543
Amount due to related company at year end	-	28,629

The trust conducted this transaction at arms' length following a competitive tendering exercise in accordance with its financial regulations, which Mrs Ava Sturridge-Packer neither participated in, nor influenced.

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2015.

**23. Explanation of transition to FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015.