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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 2014**

Company Number : 08296506

**Feltons  
Chartered Accountants**

**Birmingham  
B1 3JR**



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

**(A Company Limited by Guarantee)**

**Report and financial statements**

**Year ended 31 August 2014**

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

**Reference and Administrative Details**

Trustees	Mr D Bagley Mr J Sehjal Mrs A Sturridge-Packer Mr M Ewins Mr S Mahandru Mr G Nembhard Mr N Caulkin Ms H France Miss M Edwards Mrs E Lubin Mrs S Lyman-Ward	* Chair Person Vice Chair Person * Executive Head Teacher * Appointed 01/09/13 *  *  *  *  *  * members of finance/audit committee
Senior management team	Mrs A Sturridge-Packer Mrs J Booker Mrs M Woodley	Executive Head Teacher Executive Deputy Head Teacher Acting Deputy Head Teacher
Responsible officer	Schools Financial Services, James McCulloch	
Registered office	St Mary's C of E Primary and Nursery Academy, Handsworth Hamstead Road Handsworth Birmingham B20 2RW	
Company registration number	08296506	
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR	
Bankers	Lloyds Bank Plc 114-116 Colmore Row Birmingham B3 3BD	
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 present their first annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2014.

**Structure, governance and management**

a. 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 CE Primary & Nursery Academy, Handsworth.

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 and Personnel 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.

b. 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.

c. Method of recruitment and appointment or election of Trustees

The Academy Trust shall have the following Trustees:

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

The Executive Head Teacher is an ex-officio Trustee.

d. 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 of Education who provides regular courses and training for trustees. 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 trustee about these. Trustees 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.

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

**e. 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 have appointed Schools Financial Services 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 and Executive Deputy Head Teacher 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.

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

**f. Connected organisations, including related party relationships**

There are related parties which either control or significantly influence the decisions and operations of St Mary's CE Primary & Nursery Academy which include DRB and the Diocesan Board of Education which acts as sponsor.

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

**g. Risk management**

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 governors have introduced systems, including operational procedures and internal financial controls, in order to minimise risk.

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

h. Trustees indemnities

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 £20,000.

i. Principal activities

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

**Objectives and activities**

a. Objects and aims

The principal object and activity of the charitable company is the operation of St Mary's CE Primary & Nursery Academy 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 requirement 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 2014 are summarised below.

b. Objectives, strategies and activities

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

- Continue to develop the strategic leadership and management across two schools.  
To consolidate outstanding teaching by:
- ensuring that pupils receive sharper guidance on how to improve their work and sufficient opportunities to respond to the feedback and, thereby, achieve even higher standards
- ensuring that all activities include tasks that are challenging enough secure the best possible progress for the more able pupils, especially in Key Stage 1.

c. 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.

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

d. Beliefs and Values

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.

e. 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.

**Strategic report**

**Achievements and performance**

a. Key performance indicators

- Direct costs as a percentage of total costs were 75%
- Support costs as a percentage of total costs were 24%
- Total payroll costs as a percentage of recurring income were 71.4%

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

c. Review of activities

**End of KS2 results 2014**

Measure	School	National
% of children achieving Level 4 or above in Reading, Maths and Writing TA	93%	79%
% of children achieving Level 5 in Reading, Maths and Writing TA	27%	24%
% of children achieving 2+ levels of progress in Reading	95%	91%
% of children achieving 2+ levels of progress in Writing	98%	93%
% of children achieving 2+ levels of progress in Maths	98%	89%
Average points score (Mean of R,W,M)	28.8	28.7

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

**School data summary 2014**

**EYFS**

	CL	PD	PSED	Literacy	Maths	UW	EA
Expected (+)	48.9% (95.6)	20% (98.9)	43.7% (97.1)	47.8% (83.3)	48.9% (90)	43.7% (98.5)	42.2% (100)
Exceeding	46.7%	78.9%	53.3%	35.6%	41.1%	54.8%	57.8%

**Reading**

**APS                                      End of year APS                                      APS move**

	School	National (expected)	(3.0 expected)
Year 1	11	11	4
Year 2	17	14	5
Year 3	19	18	3
Year 4	20	21	3
Year 5	23	24	4
Year 6	29	27	5

**Writing**

**APS                                      End of year APS                                      APS move**

	School	National (expected)	(3.0 expected)
Year 1	11	11	4
Year 2	16.5	14	5
Year 3	18	18	3
Year 4	20	21	3
Year 5	23	24	4
Year 6	29.5	27	5

**Maths**

**APS                                      End of year APS                                      APS move**

	School	National (expected)	(3.0 expected)
Year 1	11	11	4
Year 2	16	14	5
Year 3	18	18	3
Year 4	20	21	3
Year 5	23	24	4
Year 6	28	27	5

**St Mary's C of E Primary and Nursery Academy, Handsworth**  
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**Key Financial Performance Indicators**

**Pupil Numbers**

Pupil numbers are currently 373.

<b>Year Group</b>	<b>Number of Roll</b>	<b>Waiting list of</b>
Nursery	50	
R	60	18
1	45	27
2	45	31
3	45	28
4	44	20
5	44	20
6	40	18

**c. Factors relevant to achieve objectives**

**Financial review**

**a. Financial and risk management objectives and policies as per risk register**

The main sources of income for the Academy are grants from the Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for capital expenditure from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the period ended 31 August 2014, total expenditure of £2,011,516 was covered by recurrent grant funding from the DfE together with other income resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £93,036. These figures exclude the deficit on the Local Government Pension Scheme (see note 24 to the accounts).

At 31 August 2014 the net book value of fixed assets was £2,671,621 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The governors have prepared a Risk Register and agreed a Risk Management strategy. These include the financial risks to the school. The register and strategy are regularly reviewed by the Senior Management Team in light of any new information and will be formally reviewed annually by the Governing Body.

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**b. Principal risks and uncertainties**

The principal financial risk facing the Academy is that funding is dependent upon pupil numbers. Pupil numbers are currently healthy but Trustees are aware that, in the long term, it may face falling rolls due to low local birth rate or be affected by the reputation of the school. Trustees do not currently consider these to be a high risk.

The Academy's future funding is also dependent upon Government Policy for Education. The Impact on St Mary's Primary Academy 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.

**c. Reserves policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Academy is holding free reserves at 31 August 2014 of £2,913,698

This comprises:

Restricted Funds Deficit of £213,427

Unrestricted funds of £28,650

Restricted Fixed Asset Funds of £2,671,621

Restricted Funds comprises:

£213,427 general funds to support the academy's budget in 2013-14.

£418,000 is the deficit on the defined benefit pension scheme.

**d. Material investments policy**

There are no material investments held by the Academy.

**Plans for the future**

**a. Future developments**

Trustees 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. No building work was completed in 2013/14 but there are plans for future building development to accommodate the school moving from 45 in take to 60 in take in reception.

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

**St Mary's C of E Primary and Nursery Academy, Handsworth**  
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**Funds held as custodian**

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

**Discloser of information to auditors**

Each of the persons who are Governors all the time when this Governor's Report is approved has confirmed that:

- So far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- That Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the board of trustees on 17th December 2014 and signed on its behalf by:



Mr D Bagley - Chair of Trustees

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

**Scope of Responsibility**

As Trustees, we acknowledge we have overall responsibility for ensuring that St Mary's CE Primary & Nursery Academy 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 Principal, 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 Michaels' Church of England Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees and material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustee's Report and in the statement of Trustee's Responsibility. The board of trustees has formally met 3 times during the period from 1st September 2013 to August 2014. Attendance during the period from 1st September 2013 to 31st August 2014 at meetings of the board of trustees was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr D Bagley	6	6
Mr J Sehjal	4	6
Mrs A Sturridge-Packer	6	6
Mr M Ewins	6	6
Mr S Mahandru	5	6
Mr G Nembhard	0	6
Mr N Caulkin	6	6
Ms H France	2	6
Miss M Edwards	6	6
Mrs E Lubin	5	6
Mrs S Lyman-Ward	6	6

The Finance and Personnel Committee is a sub committee of the main board of trustees. Its purpose is to:

- To operate as the audit committee as per EFA guidance  
To assist the decision making of the governing body, by enabling more detailed consideration to be given to
- the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the period from 1st September 2013 to 31st August 2014 was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Mr D Bagley	6	6
Mrs A Sturridge-Packer	6	6
Mr M Ewins	6	6
Mr S Mahandru	5	6
Ms H France	2	6
Mrs E Lubin	5	6
Mrs S Lyman-Ward	6	6

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

**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 or 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 on-going 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 CE Primary & Nursery Academy for the period from 1st September 2013 to 31 August 2014 and up to 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 on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period from 1st September 2013 to 31 August 2014 and up to 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 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 and Personnel 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 as an internal auditor; Schools Financial Services, James McCulloch.

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

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

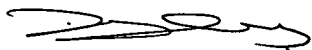
**Review of Effectiveness**

As Accounting Officer, the Executive Head Teacher has responsibility for reviewing the effectiveness of the system

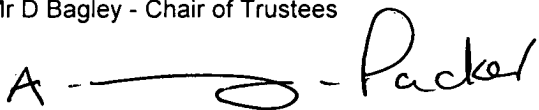
- The work of the internal auditor;
- The work of the external auditors;  
The work of the managers within the academy who have responsibility for the development and maintenance
- of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal

Approved by order of the members of the board of trustees on 17th December 2014 and signed on their behalf, by:



Mr D Bagley - Chair of Trustees



Mrs Ava Sturridge-Packer CBE - Accounting Officer

**St Mary's C of E Primary and Nursery Academy, Handsworth  
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**Statement on 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust 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.

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 handwritten signature in black ink, appearing to read 'A. Sturridge-Packer', with a stylized flourish.

Mrs Ava Sturridge-Packer CBE - Accounting Officer

19th December 2014

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

The Trustees (who act as governors of St Mary's CE 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;
- Make judgements and accounting estimates that are reasonable and prudent;
- 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 that 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 17th December 2014 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 Board of Trustees 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 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies: Accounts Direction 2013 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, 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 Report of the trustees 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 charitable company's affairs as at 31 August 2014, 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 in accordance with the requirements of the Companies Act 2006; and
- the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

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

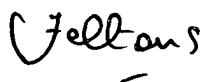
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the trustees 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 our audit.



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

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court  
8 Graham Street  
Birmingham B1 3JR

19th December 2014

**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 2013 to 2014, 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 during the period 1 September 2013 to 31 August 2014 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 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 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 and the EFA, for our work, for this report, or for the

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

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 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 2013 to 31 August 2014 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

19th December 2014

**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 2014**  
**(including income and expenditure account and statement of total recognised gains and losses)**

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2014 £	7 months Total 2013 £
<b>Incoming resources</b>							
<i>Incoming resources from generated funds:</i>							
Voluntary income	2	254	-	-	-	254	211
Voluntary income - transfer from local authority on conversion	2	-	-	-	-	-	2,322,641
Activities for generating funds	3	259,692	-	-	-	259,692	152,397
Investment income	4	294	-	-	-	294	146
<i>Incoming resources from charitable activities:</i>							
Funding for the Academy's educational operations	5	-	-	1,836,549	7,763	1,844,312	917,027
<b>Total incoming resources</b>		<b>260,240</b>	<b>-</b>	<b>1,836,549</b>	<b>7,763</b>	<b>2,104,552</b>	<b>3,392,422</b>
<b>Resources expended</b>							
<i>Charitable activities:</i>							
Academy's educational operations	7	262,717	14,000	1,686,617	34,752	1,998,086	973,870
Governance costs	8	-	-	13,430	-	13,430	28,890
<b>Total resources expended</b>	<b>6</b>	<b>262,717</b>	<b>14,000</b>	<b>1,700,047</b>	<b>34,752</b>	<b>2,011,516</b>	<b>1,002,760</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>(2,477)</b>	<b>(14,000)</b>	<b>136,502</b>	<b>(26,989)</b>	<b>93,036</b>	<b>2,389,662</b>
Gross transfers between funds	15	-	-	1,743	(1,743)	-	-
<b>Net income/(expenditure) for the year</b>		<b>(2,477)</b>	<b>(14,000)</b>	<b>138,245</b>	<b>(28,732)</b>	<b>93,036</b>	<b>2,389,662</b>
<b>Other recognised gains and losses</b>							
Actuarial gains/(losses) on defined benefit pension schemes	15, 24	-	11,000	-	-	11,000	2,000
<b>Net movement in funds</b>		<b>(2,477)</b>	<b>(3,000)</b>	<b>138,245</b>	<b>(28,732)</b>	<b>104,036</b>	<b>2,391,662</b>
<b>Reconciliation of funds</b>							
Total funds brought forward at 1 September 2013	15	31,127	(415,000)	75,182	2,700,353	2,391,662	-
<b>Total funds carried forward at 31 August 2014</b>		<b>28,650</b>	<b>(418,000)</b>	<b>213,427</b>	<b>2,671,621</b>	<b>2,495,698</b>	<b>2,391,662</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 2014**

		2014		2013	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		2,671,621		2,700,353
<b>Current assets</b>					
Debtors	13	167,591		148,483	
Cash at bank and in hand		<u>163,810</u>		<u>138,567</u>	
		331,401		287,050	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	14	<u>89,324</u>		<u>180,741</u>	
<b>Net current assets</b>			242,077		106,309
<b>Total assets less current liabilities</b>			<u>2,913,698</u>		<u>2,806,662</u>
Pension scheme liability	24		(418,000)		(415,000)
<b>Net assets including pension liability</b>			<u><u>2,495,698</u></u>		<u><u>2,391,662</u></u>
<b>Funds of the academy trust :</b>					
<b>Restricted funds</b>					
Fixed asset fund	15	2,671,621		2,700,353	
General fund	15	213,427		75,182	
Pension reserve	15	<u>(418,000)</u>		<u>(415,000)</u>	
<b>Total restricted funds</b>			2,467,048		2,360,535
<b>Unrestricted income funds</b>					
General fund	15		28,650		31,127
<b>Total funds</b>			<u><u>2,495,698</u></u>		<u><u>2,391,662</u></u>

The financial statements on pages 15 to 36 were approved by the trustees, and authorised for issue on 17th December 2014 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)**

**Cash flow statement for the year ended 31 August 2014**

	Notes	2014 £	7 months 2013 £
Net cash inflow from operating activities	19	23,206	166,448
Returns on investments and servicing of finance	20	294	146
Capital expenditure	21	1,743	(28,027)
<b>Increase in cash in the period</b>	22	<u>25,243</u>	<u>138,567</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2013		138,567	-
<b>Net funds at 31 August 2014</b>		<u>163,810</u>	<u>138,567</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 2014**

**1. Statement of accounting policies**

**Basis of preparation**

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**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 one year from the date of approval of the financial statements.

**Incoming resources**

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

- **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

- **Donations**

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

- **Other income**

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

**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 2014 (continued)**

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

- **Donated services and gifts in kind**

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

**Resources expended**

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

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred in the academy trust's educational operations.

- **Governance costs**

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

**Notes to the financial statements for the year ended 31 August 2014 (continued)**

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

**Tangible fixed assets (continued)**

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:

Long leasehold buildings	- straight line over 50 years
Fittings and equipment	- 25% straight line
Computer equipment	- 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.

**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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**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 and the assets are held separately from those of the academy trust.

**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 2014 (continued)**

**Pension benefits (continued)**

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**Fund accounting**

**Unrestricted income funds**

These 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**

These represent 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**

These comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency and Department for Education.

**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 2014 (continued)**

**2. Voluntary income**

	<b>Unrestricted funds £</b>	<b>Total 2014 £</b>	<b>7 months Total 2013 £</b>
Transfer from local authority			
- fixed assets	-	-	2,691,660
- other assets	-	-	30,981
- pension deficit	-	-	(400,000)
	<u>-</u>	<u>-</u>	<u>2,322,641</u>
Other donations	254	254	211
	<u>254</u>	<u>254</u>	<u>2,322,852</u>

**3. Activities for generating funds**

	<b>Unrestricted funds £</b>	<b>Total 2014 £</b>	<b>7 months Total 2013 £</b>
Educational visits	5,403	5,403	-
Teaching income	214,162	214,162	-
Extended school	27,396	27,396	-
Miscellaneous	12,731	12,731	152,397
	<u>259,692</u>	<u>259,692</u>	<u>152,397</u>

**4. Investment income**

	<b>Unrestricted funds £</b>	<b>Total 2014 £</b>	<b>7 months Total 2013 £</b>
Short term deposits	<u>294</u>	<u>294</u>	<u>146</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 2014 (continued)**

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

	Restricted general fund £	Restricted fixed asset funds £	Total 2014 £	7 months Total 2013 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant	1,378,296	-	1,378,296	812,036
Capital grants	-	7,763	7,763	7,628
Other DfE/EFA grants	135,882	-	135,882	8,470
	<u>1,514,178</u>	<u>7,763</u>	<u>1,521,941</u>	<u>828,134</u>
<b>Other government grants</b>				
Local authority grants	314,521	-	314,521	88,893
Government grants	7,850	-	7,850	-
	<u>322,371</u>	<u>-</u>	<u>322,371</u>	<u>88,893</u>
	<u>1,836,549</u>	<u>7,763</u>	<u>1,844,312</u>	<u>917,027</u>

**6. Resources expended**

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2014 £	7 months Total 2013 £
<b>Academy's educational operations</b>					
Direct costs	1,254,852	25,367	236,476	1,516,695	639,563
Allocated support costs	180,610	165,433	135,348	481,391	334,307
	<u>1,435,462</u>	<u>190,800</u>	<u>371,824</u>	<u>1,998,086</u>	<u>973,870</u>
<b>Governance costs including allocated support costs</b>					
	-	-	13,430	13,430	28,890
	<u>1,435,462</u>	<u>190,800</u>	<u>385,254</u>	<u>2,011,516</u>	<u>1,002,760</u>

		Total 2014 £	7 months Total 2013 £
Incoming/(outgoing) resources for the year include :			
Operating leases	- other	2,654	1,327
Fees payable to auditor	- audit	5,900	3,600
	- other services	-	1,400
		<u>-</u>	<u>1,400</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 2014 (continued)**

**7. Charitable activities**

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2014 £	7 months Total 2013 £
<b>Direct costs - educational operations</b>					
Teaching and educational support staff	126,875	-	1,127,977	1,254,852	572,200
Depreciation	-	-	25,367	25,367	19,333
Technology costs	-	-	14,808	14,808	10,850
Educational supplies	22,317	-	64,826	87,143	21,121
Staff development	1,909	-	14,664	16,573	9,510
Educational consultancy	83,845	-	14,989	98,834	800
Other direct costs	-	-	19,118	19,118	5,749
	<u>234,946</u>	<u>-</u>	<u>1,281,749</u>	<u>1,516,695</u>	<u>639,563</u>
<b>Support costs - educational operations</b>					
Support staff	24,712	14,000	141,898	180,610	101,677
Depreciation	-	-	9,385	9,385	-
Technology costs	1,494	-	28,132	29,626	-
Recruitment and support	-	-	2,500	2,500	8,837
Maintenance of premises and equipment	-	-	91,955	91,955	10,416
Cleaning	-	-	20,785	20,785	8,368
Rates and water	-	-	6,512	6,512	5,328
Energy costs	-	-	18,628	18,628	12,246
Insurance	-	-	25,016	25,016	16,017
Security and transport	-	-	7,451	7,451	3,296
Catering	-	-	12,705	12,705	33,377
Bank interest and charges	-	-	30	30	-
Other support costs	1,565	-	74,623	76,188	134,745
	<u>27,771</u>	<u>14,000</u>	<u>439,620</u>	<u>481,391</u>	<u>334,307</u>
<b>Total direct and support costs</b>	<u>262,717</u>	<u>14,000</u>	<u>1,721,369</u>	<u>1,998,086</u>	<u>973,870</u>

**8. Governance costs**

	Restricted funds £	Total 2014 £	7 months Total 2013 £
Legal and professional fees	4,400	4,400	23,760
Auditor's remuneration			
audit of financial statements	5,900	5,900	5,000
Support staff costs	2,027	2,027	-
Trustees' reimbursed expenses	1,103	1,103	130
	<u>13,430</u>	<u>13,430</u>	<u>28,890</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 2014 (continued)**

**9. Staff**

**a) Staff costs**

	<b>Total</b>	<b>7 months</b>
	<b>2014</b>	<b>Total</b>
	<b>£</b>	<b>2013</b>
		<b>£</b>
Staff costs during the period were:		
Wages and salaries	935,483	561,589
Social security costs	71,894	34,080
Pension costs		
Teachers' pension scheme	80,283	69,282
Local government pension scheme	77,410	8,926
	<u>1,165,070</u>	<u>673,877</u>
Supply staff costs	270,392	-
	<u>1,435,462</u>	<u>673,877</u>

**b) Staff numbers**

The average number of persons (including senior management team) employed by the academy during the year expressed as full time equivalents was as follows:

	<b>2014</b>	<b>2013</b>
	<b>Number</b>	<b>Number</b>
<b>Charitable activities</b>		
Teachers	11	14
Administration and support	15	15
Management	5	5
	<u>31</u>	<u>34</u>

**c) Higher paid staff**

The number of employees whose emoluments on an annualised basis exceeded £60,000 was :

£110,001 - £120,000	<u>1</u>	<u>1</u>
---------------------	----------	----------

These employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, employer's pension contributions for these employees amounted to £15,468 (2013 - £10,888).

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

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

**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 2014 (continued)**

**10. Related Party Transactions - Trustees' remuneration and expenses (continued)**

The value of trustees' remuneration for the year to 31 August 2014 (2013 - 7 months to 31 August 2013) was as follows:

Mrs A Sturridge (head teacher and trustee) £115,000 - £120,000 (2013 : £110,000 - £115,000)

During the year, travel and subsistence expenses totalling £1,103 (2013 - £130) were reimbursed to 1 (2013 - 1) trustee. Other related party transactions involving the trustees are set out in note 25.

**11. 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 2014 was £517 (2013 - £58). The cost of this insurance is included in the total insurance cost.

**12. Tangible fixed assets**

	Long leasehold property £	Fittings and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 September 2013	2,715,107	4,580	-	2,719,687
Additions	-	1,656	4,364	6,020
At 31 August 2014	2,715,107	6,236	4,364	2,725,707
<b>Depreciation</b>				
At 1 September 2013	18,892	442	-	19,334
Charge for the year	32,102	1,559	1,091	34,752
At 31 August 2014	50,994	2,001	1,091	54,086
<b>Net book values</b>				
At 31 August 2014	2,664,113	4,235	3,273	2,671,621
At 31 August 2013	2,696,215	4,138	-	2,700,353

Leasehold property was valued on 1 February 2013 by The Valuation Office Agency – DVS and the fittings and equipment and computer equipment 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 2014 is represented by :

	Long leasehold property £	Fittings and equipment £	Computer equipment £	Total £
Valuation in 2013	2,691,660	-	-	2,691,660
Cost	23,447	6,236	4,364	34,047
	2,715,107	6,236	4,364	2,725,707

**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 2014 (continued)**

**13. Debtors**

	<b>Total 2014 £</b>	<b>Total 2013 £</b>
Debtors from operations	63,836	71,919
VAT recoverable	45,735	24,940
Prepayments and accrued income	49,219	51,624
Other debtors	8,801	-
	<u>167,591</u>	<u>148,483</u>

**14. Creditors**

	<b>Total 2014 £</b>	<b>Total 2013 £</b>
<b>Amounts falling due within one year :</b>		
Creditors from operations	40,996	30,874
Funds held for reading schools	-	78,447
Accruals and deferred income	48,328	46,663
Other creditors	-	24,757
	<u>89,324</u>	<u>180,741</u>

**Deferred income**

Deferred income at 1 September 2013	6,050	-
Resources deferred in the year	23,065	6,050
Amounts released from previous years	(6,050)	-
Deferred income at 31 August 2014	<u>23,065</u>	<u>6,050</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals for the Autumn 2014 term.

**15. Funds**

	<b>Balance at 1 September 2013 £</b>	<b>Incoming resources £</b>	<b>Resources expended £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2014 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	50,620	1,378,296	(1,217,232)	1,743	213,427
Other DfE/EFA grants	24,562	135,882	(160,444)	-	-
Other government grants	-	322,371	(322,371)	-	-
	<u>75,182</u>	<u>1,836,549</u>	<u>(1,700,047)</u>	<u>1,743</u>	<u>213,427</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 2014 (continued)**

**15. Funds (continued)**

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	7,186	7,763	(3,119)	18,187	30,017
Capital expenditure from GAG	19,930	-	-	(19,930)	-
Assets transferred on conversion	2,673,237	-	(31,633)	-	2,641,604
	<u>2,700,353</u>	<u>7,763</u>	<u>(34,752)</u>	<u>(1,743)</u>	<u>2,671,621</u>
 <b>Restricted pension funds</b>	 (415,000)	 -	 (14,000)	 11,000	 (418,000)
 <b>Total restricted funds</b>	 <u>2,360,535</u>	 <u>1,844,312</u>	 <u>(1,748,799)</u>	 <u>11,000</u>	 <u>2,467,048</u>
 <b>Unrestricted funds</b>					
Other income	31,127	260,240	(262,717)	-	28,650
<b>Total unrestricted funds</b>	<u>31,127</u>	<u>260,240</u>	<u>(262,717)</u>	<u>-</u>	<u>28,650</u>
 <b>Total funds</b>	 <u>2,391,662</u>	 <u>2,104,552</u>	 <u>(2,011,516)</u>	 <u>11,000</u>	 <u>2,495,698</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 2014.

The trust is carrying a net surplus of £213,427 on restricted general funds (excluding pension reserve).

**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.

The trust is carrying a net surplus of £28,650 on unrestricted funds.

**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 2014 (continued)**

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

Fund balances at 31 August 2014  
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	2,671,621	2,671,621
Current assets	28,650	-	302,751	-	331,401
Current liabilities	-	-	(89,324)	-	(89,324)
	<u>28,650</u>	<u>-</u>	<u>213,427</u>	<u>2,671,621</u>	<u>2,913,698</u>
Pension scheme liability	-	(418,000)	-	-	(418,000)
<b>Total net assets</b>	<u>28,650</u>	<u>(418,000)</u>	<u>213,427</u>	<u>2,671,621</u>	<u>2,495,698</u>

**17. Capital commitments**

There were no capital commitments at 31 August 2014 (2013 - £nil).

**18. Financial commitments**

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

	<b>Total 2014 £</b>	<b>Other Total 2013 £</b>
Expiring within one year	2,654	2,795
Expiring within two to five years inclusive	-	2,654
	<u>2,654</u>	<u>5,449</u>

**19. Reconciliation of net income to net cash inflow from operating activities**

	<b>Total 2014 £</b>	<b>Total 2013 £</b>
Net income/(expenditure)	93,036	2,389,516
Depreciation (note 12)	34,752	19,333
Capital grants from DfE and other capital income	(7,763)	-
Assets transferred on conversion to academy trust	-	(2,691,660)
Interest receivable (note 4)	(294)	-
FRS 17 pension cost less contributions payable (note 24)	28,000	400,000
FRS 17 pension finance income (note 24)	(14,000)	17,000
Decrease / (increase) in debtors	(19,108)	(148,482)
Increase / (decrease) in creditors	(91,417)	180,741
<b>Net cash outflow from operating activities</b>	<u>23,206</u>	<u>166,448</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 2014 (continued)**

	<b>Total 2014 £</b>	<b>7 months Total 2013 £</b>
<b>20. Returns on investments and servicing of finance</b>		
Interest received	294	146
<b>Net cash inflow from returns on investment and servicing of finance</b>	<u>294</u>	<u>146</u>

	<b>Total 2014 £</b>	<b>Total 2013 £</b>
<b>21. Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(6,020)	(28,027)
Capital grants from DfE	7,763	-
<b>Net cash (outflow) from capital expenditure and financial investment</b>	<u>1,743</u>	<u>(28,027)</u>

	<b>At 1 September 2013 £</b>	<b>Cash flows £</b>	<b>At 31 August 2014 £</b>
<b>22. Analysis of changes in net funds</b>			
Cash at bank and in hand	138,567	25,243	163,810
	<u>138,567</u>	<u>25,243</u>	<u>163,810</u>

**23. 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.

**24. Pension and similar obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

**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 2014 (continued)**

**24. 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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007 the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

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

**Valuation of the Teachers' Pension Scheme (continued)**

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to the State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformatting Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatting scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

**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 2014 (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £75,397, of which employer's contributions totalled £59,020 and employees' contributions totalled £16,377. The agreed contribution rates for future years are 13% for employers and 5.5% to 11.4% for employees.

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

**Principal actuarial assumptions**

	<b>At 31 August 2014</b>	<b>At 31 August 2013</b>
Rate of increase in salaries	3.95%	4.15%
Rate of increase for pensions in payment / inflation	2.20%	2.40%
Discount rate for scheme liabilities	4.00%	4.60%
Inflation assumption (CPI)	2.20%	2.40%

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 2014</b>	<b>At 31 August 2013</b>
Retiring today		
Males	22.9	22.1
Females	25.5	24.8
Retiring in 20 years		
Males	25.1	23.9
Females	27.8	26.7

**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 2014 (continued)**

**24. 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>Expected return at 31 August 2014</b>	<b>Fair value at 31 August 2014 £</b>	<b>Expected return at 31 August 2013</b>	<b>Fair value at 31 August 2013 £</b>
Equities	7.00%	199,000	7.00%	138,000
Government bonds	2.90%	35,000	3.40%	28,000
Other bonds	3.80%	46,000	4.40%	37,000
Property	6.20%	38,000	5.70%	29,000
Cash	0.50%	19,000	0.50%	13,000
Other	7.11%	105,000	7.11%	83,000
<b>Total market value of assets</b>		<b>442,000</b>		<b>328,000</b>
 Present value of scheme liabilities				
- Funded		(860,000)		(743,000)
 <b>Surplus/(deficit) in the scheme</b>		<b>(418,000)</b>		<b>(415,000)</b>

The expected rate of return on the Scheme assets is based on market expectations at the beginning of the period.

The actual return on the Scheme assets was £39,000.

	<b>2014 £</b>
<b>Amounts recognised in the statement of financial activities</b>	
Current service cost (net of employee contributions)	59,000
<b>Total operating charge</b>	<b>59,000</b>
 <b>Analysis of pension finance income/(costs)</b>	
Expected return on pension scheme assets	(22,000)
Interest on pension liabilities	36,000
<b>Pension finance income/(costs)</b>	<b>14,000</b>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £11,000 gain.

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**Notes to the financial statements for the year ended 31 August 2014 (continued)**

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

**Local Government Pension Scheme (continued)**

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

	<b>2014</b>
	<b>£</b>
<b>At 1 September 2013</b>	743,000
Current service cost	59,000
Interest cost	36,000
Employee contributions	16,000
Actuarial gain	6,000
<b>At 31 August 2014</b>	<u>860,000</u>

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

	<b>2014</b>
	<b>£</b>
<b>At 1 September 2013</b>	328,000
Expected return on assets	22,000
Actuarial gain	17,000
Employer contributions	59,000
Employee contributions	16,000
<b>At 31 August 2014</b>	<u>442,000</u>

<b>Net pension scheme liability</b>	<u>(418,000)</u>
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The estimated value of employer contributions for the year ended 31 August 2015 is £59,000.

**The history of experience adjustments is as follows:**

	<b>2014</b>
	<b>£</b>
Present value of defined benefit obligations	(860,000)
Fair value of share of scheme assets	442,000
<b>Deficit in the scheme</b>	<u>(418,000)</u>
<b>Experience adjustments on share of scheme assets (£)</b>	<u>17,000</u>
<b>Experience adjustments on scheme liabilities (£)</b>	<u>45,000</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 2014 (continued)**

**25. Related party transactions**

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

The drb Group of companies are used to deliver a number of services to the academy in which one of the trustees is a director. During the period transactions totalling £25,014 (2013: £8,372) took place. A balance of £688 is included in trade creditors.

St Michael's CE Academy by virtue of the support being provided by the Executive Head Teacher and the leadership team of St Mary's CE Academy is also seen as a related party. Transactions between St Mary's CE Academy totalled £109,480 (2013: £137,093) during the period (this covered numerous transactions relating to school improvements and resources). A balance of £50,821 (2013: £71,919) is included in debtors.

St Michael's CE Academy is sponsored by the Birmingham Diocese known as DBET. Normally each DBET sponsored school has a high performing school which it is partnered with. In the case of St Michael's, this partnership is different in that the Executive Head Teacher at St Mary's is Executive Head Teacher at St Michael's and is also the operational Head Teacher at both schools. She therefore takes full responsibility for all school business including OFSTED.

St Mary's Teaching School Alliance is a teaching school alliance that was formed with four strategic partners where school to school support is provided. Transactions between St Mary's CE Academy and Nursery and St Mary's Teaching School Alliance totalled £9,209. A balance of £9,209 is included in trade debtors.