

**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 2018**

Company Registration Number  
08296506 (England and Wales)

**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 2018**

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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 (Resigned 31 December 2017)  
\*Mr M Ewins  
\*Mrs J Booker (Appointed 1 January 2018)  
\*Mr S Mahandru  
Revd Dr Robert Stephen  
\*Ms H France  
Miss M Edwards  
\*Mrs E Lubin  
\*Mrs S Lyman-Ward  
Ms M Woodley  
Mrs R Freeman  
Mrs A Insular-Butcher  
Mrs S Dooley  
Miss Melanie Johnson

\* Members of Finance/Audit Committee

**Senior management team**

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

Mrs A Sturridge-Packer (Resigned 31 December 2017)  
Mrs J Booker (Appointed 1 January 2018)  
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

**Principal and registered office**

Joanne Booker  
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  
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 Academy, Handsworth (the Academy) for the year ended 31 August 2018. 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 March 2005.

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 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 427, including nursery provision of 52 part time places. The school is now 2 form entry in KS1 and year 3 and 4 accommodating 60 pupils per year group and is currently in the process to moving from an intake of 45 per year group to 60 per year group in the rest of 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 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
- 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

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

any such insurance shall not extend to the 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 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 on 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 have 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 Head Teacher supported by the Senior Leadership Team which comprises: Deputy Head Teacher, Assistant Head Teachers and finance support from DRB Management.

The initial School Development Plan is drawn up by the 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.

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

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

#### **Organisational structure (continued)**

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 Head Teacher is the Accounting Officer and responsible for the day to day management of the academy.

#### **Related parties and other Connected Charities and Organisations**

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.

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 CE 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 2018 are summarised below.

St Mary's C of E 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.

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

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

#### **Ethos statement (continued)**

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.

#### **School Culture**

At St Marys 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 Marys 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:

- 1) Improve pupil progress and outcomes for all pupils, especially in reading comprehension at KS2.
- 2) Improve the quality of teaching, learning and assessment to increase % of outstanding teaching, by 5%.
- 3) Develop outstanding leadership and management at middle leader level.
- 4) Maintain outstanding personal development, behaviour and welfare.
- 5) Develop outstanding provision for Early Years by maintaining the excellent GLD (82%) and closing the gap between boys and girls.

#### **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 Marys 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.

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

**Strategic Report**

**Achievements and Performance**

**Key Performance Indicators**

Our key achievements in 2018 with comparatives to previous years and national benchmarks are as follows:

EYFS – GLD	National
85%	71%

2017 82% National 71%  
2016: 82% National 66%

**Year 1 Phonics**

Phonics	National
88%	82%

2017: 93%  
2016: 91% National 81%

**Key stage 1 SATs**

2018	National	Expected +	Greater Depth
Reading	75%	82%	19%
Writing	70%	81%	14%
Maths	76%	81%	19%

2017	Expected +	Greater Depth
Reading	87%	23%
Writing	83%	18%
Maths	85%	23%

2016	Expected +	Greater Depth
Reading	89%	22%
Writing	87%	17%
Maths	89%	22%

**Key stage 2 SATs**

2018	National	Expected +	Greater Depth
Reading	75%	74%	19%
Writing	78%	86%	12%
Maths	76%	67%	12%
SPAG	78%	81%	14%
Combined	National 64%		School 60%

2017	National	Expected +	Greater Depth
Reading	71%	64%	17%
Writing	76%	83%	14%



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

Maths	75%	79%	26%
SPAG	77%	88%	38%
Combined	National 61%		School 62%

2016	National	Expected +	Greater Depth
Reading	66%	69%	10%
Writing	74%	88%	2%
Maths	70%	60%	10%
SPAG	72%	71%	12%

**Progress scores**

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Reading	-1.4	-0.82	-2.35
Writing	0.2	-0.77	-1.0
Maths	-1.6	+2.21	-3.49

Pupil numbers

Pupil numbers are currently;

Year Group	Number on roll	Waiting list
	400	
N	45	0
R	60	3
1	60	5
2	58	6
3	60	13
4	56	9
5	45	12
6	45	10

- Direct costs as a percentage of total costs were 69.1% (2017:70.0%)
- Support costs as a percentage of total costs were 30.9% (2017: 25.1%)
- Teaching school costs as a percentage of total costs were 0% (2017:4.9%)
- Total payroll costs as a percentage of recurring income were 76.1% (2017: 75.1%)

**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.

**Financial Review**

The financial results of St Mary's C of E Primary 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 ESFA and requirements as laid down by the Academy's Financial Handbook.

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

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**Trustees' report (continued)**

During the year ended 31 August 2018 total resources expended were £1,972,162 and the surplus of expenditure over income was £70,143 which included depreciation of £58,490.

**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 board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The academy had total funds at 31 August 2018 of £2,205,242 which included £152,880 restricted funds not available for general purposes of the academy trust, £3,726 of free reserves defined as unrestricted funds available for general purposes and £2,931,636 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 £156,606.

In addition, the deficit on the restricted pension fund of £883,000 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 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.

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.

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**Trustees' report (continued)**

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.

**Plans for Future Periods**

**Future Developments**

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 started in February 2018. This is funded through the Local Authority.

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

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

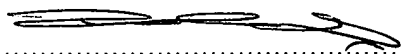
There are no Funds held as Custodian Trustee on behalf of others.

**Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2018 and signed on the board's 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 C of E Primary 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 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 Statement of Trustees' Responsibilities. 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:

	2017				2018							
	SEPT 27	OCT	NOV	DEC 06	JAN 31	FEB	MAR	APRIL	MAY 22	JUNE	JULY 18	AUG
<b>Sturridge-Packer, Ava</b>	✓				n/a		n/a		n/a		n/a	
<b>Bagley, Dave</b>	✓				✓		✓		✓		✓	
<b>Lubin, Ethel</b>	NP				✓		Apols		✓		✓	
<b>France, Helena</b>	✓				Apols		✓		✓		✓	
<b>Sehjal, Jagtar</b>	✓				✓		Not present		✓		Apols	
<b>Edwards, Mary</b>	Apols				✓		✓		✓		✓	
<b>Ewins, Mike</b>	✓				✓		✓		✓		✓	
<b>Lyman-Ward, Sheila</b>	✓				✓		✓		✓		✓	
<b>Mahandru, Shin</b>	✓				N/A		N/A		N/A		N/A	
<b>Woodley, Maureen</b>	✓				✓		✓		✓		Apols	
<b>Revd Dr Robert Stephen</b>	✓				Apols		Apols		✓		✓	
<b>Dooley, Sharon</b>	Apols				✓		✓		✓		✓	

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**Governance statement (continued)**

Freeman, Rebecca	✓				✓		✓		✓		✓	
Insular-Butcher, Anthea	✓				✓		✓		Apols		✓	
Johnson, Melanie	✓				Apols		Apols		✓		✓	
Crosthwaite, Susan (Clerk)	✓				✓		Not present		Not present		✓	
Booker, Jo <i>In Attendance</i>	✓				✓		✓		✓		✓	
<b>CONFIRMED QUORATE</b>	yes				yes		yes		Yes		yes	

In November 2016, 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.

**Finance Committee**

Trustee	Meetings attended	Out of a possible
Dave Bagley	3	3 – Includes audit management meeting Dec 17
Ava Sturridge-Packer	0	1 – Includes audit management meeting Dec 17
M Ewins	2	2
Rev Dr R Stephen	1	2
H France	1	2
E Lubin	0	2
S Lyman-Ward	2	2
Jo Booker	3	3 – Includes audit management meeting Dec 17

**Review of value for money**

I accept that as accounting officer of St Mary's Church of England Primary and Nursery Academy 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.

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**Governance statement (continued)**

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 all above national with the exception of KS2 Reading. Results were above floor in both terms of combined at KS2 and progress measures.

Results for the academic year 2017/18 were as follows:-

EYFS - GLD	National
85%	71%

**Year 1 Phonics**

Phonics	National
88%	82%

**Key stage 1 SATs**

2018	National	Expected +	Greater Depth
Reading	75%	82%	19%
Writing	70%	81%	14%
Maths	76%	81%	19%

**Key stage 2 SATs**

2018	National	Expected +	Greater Depth
Reading	75%	74%	19%
Writing	78%	86%	12%
Maths	76%	67%	12%
SPAG	78%	81%	14%
Combined	National 64%		School 60%

A 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 pupil outcomes are above floor and national. The trust works in partnership with other schools in its role as a teaching school. In addition to this the 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 good in all areas and an overall grade of good in The OFSTED in July 2018.

Pupil Premium monies have been allocated to optimal effect to impact on improving attainment for pupils entitled to free school meals or who are classed as looked after. 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. Additional 1:1 staffing is also employed to support pupil premium pupils with specific and severe special educational needs, this impacts positively on both their and others' learning opportunities.

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**Governance statement (continued)**

Mr Sturridge – KS2 mathematics (contributed to increase in % of pupils at expected level or above in maths)

Mrs Holton – KS2 reading and KS2 Grammar & Punctuation (contributed to increase in % of pupils at expected level or above in reading)

Mrs Bains – Extra support for individual targeted needs – whole school

Mr Harris and Mr Powell – 1:1 support sen pupils

Targeted staff training has been implemented both internally and externally in order to address key priorities.

Educational visits are subsidised for pupil premium children. Music lessons are subsidised for all pupils with a musical aptitude. 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.

Pupils are well supported through the employment of Teaching assistants, in addition to class teachers, who are allocated full time to every KS1 class and at least part time to every KS2 class.

The 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 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 Academy Handsworth for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

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

**Governance statement (continued)**

**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.

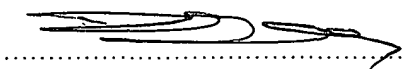
**REVIEW OF EFFECTIVENESS**

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:

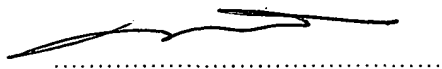
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- The work of the managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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 board of trustees on 11 December 2018 and signed on its behalf by:



Mr D Bagley  
Chair of Trustees



Mrs J Booker  
Accounting Officer



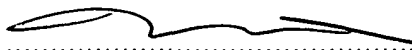
**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

**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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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



..... Mrs J Booker – Accounting Officer

11 December 2018

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

**Statement of Trustees' Responsibilities**

The trustees (who 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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

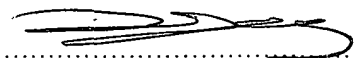
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 11 December 2018 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**

**Opinion**

We have audited the financial statements of St Mary's C of E Primary and Nursery Academy, Handsworth (the 'academy trust') for the period ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements :

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018, 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
- have been prepared in accordance with the requirements of the Companies Act 2006
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement (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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.

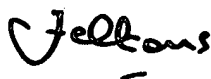
**St Mary's C of E Primary and Nursery Academy, Handsworth  
(A Company Limited by Guarantee)**

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

**Auditor's responsibilities for the audit of the financial statements (continued)**

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during 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

13 December 2018

**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 and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 6 October 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Mary's C of E Primary and Nursery Academy, Handsworth during the period 1 September 2017 to 31 August 2018 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 ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Mary's C of E Primary and Nursery Academy, Handsworth and the ESFA, for our work, for this

**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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities

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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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 and Skills Funding Agency (continued)**

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 (Reporting Accountant)**

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

13 December 2018



**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 2018**  
**(including income and expenditure account)**

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
<b>Income from :</b>							
Donations and capital grants	2	-	-	-	8,259	8,259	407,978
Funding for the academy trust's educational operations	3	32,067	-	1,861,532	-	1,893,599	1,973,731
Teaching schools		-	-	-	-	-	102,618
Investments	4	161	-	-	-	161	152
<b>Total</b>		<b>32,228</b>	<b>-</b>	<b>1,861,532</b>	<b>8,259</b>	<b>1,902,019</b>	<b>2,484,479</b>
<b>Expenditure on :</b>							
Charitable activities:							
Academy trust's educational operations	5	31,719	95,000	1,786,953	58,490	1,972,162	2,036,318
Teaching schools	23	-	-	-	-	-	104,455
<b>Total</b>		<b>31,719</b>	<b>95,000</b>	<b>1,786,953</b>	<b>58,490</b>	<b>1,972,162</b>	<b>2,140,773</b>
<b>Net income/(expenditure) before transfers</b>		<b>509</b>	<b>(95,000)</b>	<b>74,579</b>	<b>(50,231)</b>	<b>(70,143)</b>	<b>343,706</b>
<b>Transfers between funds</b>	13	<b>(943)</b>	<b>-</b>	<b>(4,679)</b>	<b>5,622</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure) after transfers</b>		<b>(434)</b>	<b>(95,000)</b>	<b>69,900</b>	<b>(44,609)</b>	<b>(70,143)</b>	<b>343,706</b>
<b>Other recognised gains/(losses)</b>							
Actuarial gains/(losses) on defined benefit pension schemes	13, 21	-	181,000	-	-	181,000	39,000
<b>Net movement in funds</b>		<b>(434)</b>	<b>86,000</b>	<b>69,900</b>	<b>(44,609)</b>	<b>110,857</b>	<b>382,706</b>
<b>Reconciliation of funds</b>							
Total funds brought forward	13	4,160	(969,000)	82,980	2,976,245	2,094,385	1,711,679
<b>Total funds carried forward</b>		<b>3,726</b>	<b>(883,000)</b>	<b>152,880</b>	<b>2,931,636</b>	<b>2,205,242</b>	<b>2,094,385</b>

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

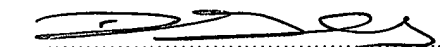
**St Mary's C of E Primary and Nursery Academy, Handsworth**  
**(A Company Limited by Guarantee)**

**Company number : 08296506**

**Balance sheet as at 31 August 2018**

		2018		2017	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10		2,931,636		2,721,071
<b>Current assets</b>					
Debtors	11	61,370		282,223	
Cash at bank and in hand		<u>319,138</u>		<u>384,623</u>	
		380,508		666,846	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	<u>223,902</u>		<u>324,532</u>	
<b>Net current assets</b>			156,606		342,314
<b>Net assets excluding pension liability</b>			<u>3,088,242</u>		<u>3,063,385</u>
Defined benefit pension scheme liability	21		(883,000)		(969,000)
<b>Total net assets</b>			<u><u>2,205,242</u></u>		<u><u>2,094,385</u></u>
<b>Funds of the academy trust :</b>					
<b>Restricted funds</b>					
Fixed asset fund	13	2,931,636		2,976,245	
General fund	13	152,880		82,980	
Pension reserve	13	<u>(883,000)</u>		<u>(969,000)</u>	
<b>Total restricted funds</b>			2,201,516		2,090,225
<b>Unrestricted income funds</b>	13		3,726		4,160
<b>Total funds</b>			<u><u>2,205,242</u></u>		<u><u>2,094,385</u></u>

The financial statements on pages 23 to 46 were approved by the trustees, and authorised for issue on 11 December 2018 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 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by / (used in) operating activities	17	195,150	86,212
<b>Cash flows from investing activities</b>	18	(260,635)	234,139
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(65,485)</u>	<u>320,351</u>
Cash and cash equivalents at 1 September 2017		384,623	64,272
<b>Cash and cash equivalents at 31 August 2018</b>	19	<u>319,138</u>	<u>384,623</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 2018**

**1. Statement of accounting policies**

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

**Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**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.

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

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

**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 2018 (continued)**

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

**Income (continued)**

**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.

**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.

**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 2018 (continued)**

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

**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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, 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 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 and reclassified leasehold land and buildings.

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.

**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.

**Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

*Cash at bank* - classified as a basic financial instrument and is measured at face value.

**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 2018 (continued)**

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

**Financial instruments (continued)**

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

**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 24, 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  
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**Notes to the financial statements for the year ended 31 August 2018 (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 and Skills 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 2018 (continued)**

**2. Donations and capital grants**

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
Capital grants	-	-	8,259	8,259	407,841
Other donations	-	-	-	-	137
	-	-	8,259	8,259	407,978
<b>2017 total</b>	<b>137</b>	<b>-</b>	<b>407,841</b>	<b>407,978</b>	

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

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
<b>DfE/ESFA grants</b>					
General Annual Grant (GAG)	-	1,542,769	-	1,542,769	1,487,568
Other DfE Group grants	-	226,833	-	226,833	231,994
	-	1,769,602	-	1,769,602	1,719,562
<b>Other government grants</b>					
Local authority grants	-	91,930	-	91,930	142,106
Other government funding	-	-	-	-	7,200
	-	91,930	-	91,930	149,306
Other income from the academy trust's educational operations	32,067	-	-	32,067	104,863
	32,067	91,930	-	123,997	254,169
	32,067	1,861,532	-	1,893,599	1,973,731
<b>2017 total</b>	<b>104,863</b>	<b>1,868,868</b>	<b>-</b>	<b>1,973,731</b>	

**4. Investment income**

	Unrestricted funds £	Restricted funds £	Total 2017/18 £	Total 2016/17 £
Short term deposits	161	-	161	152
<b>2017 total</b>	<b>152</b>	<b>-</b>	<b>152</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 2018 (continued)**

**5. Expenditure**

	<b>Staff costs</b>	<b>Non pay expenditure</b>		<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>Premises</b>	<b>Other</b>	<b>2017/18</b>	<b>2016/17</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Academy's educational operations					
Direct costs	1,142,947	28,795	190,722	1,362,464	1,488,853
Allocated support costs	303,605	164,198	141,895	609,698	533,454
Teaching school	-	-	-	-	104,455
	<u>1,446,552</u>	<u>192,993</u>	<u>332,617</u>	<u>1,972,162</u>	<u>2,126,762</u>
<b>2017 total</b>	<u>1,558,926</u>	<u>202,780</u>	<u>365,056</u>	<u>2,126,762</u>	

Net income/(expenditure) for the period includes :

		<b>2017/18</b>	<b>2016/17</b>
		<b>£</b>	<b>£</b>
Operating leases	- plant and machinery	2,064	1,720
Depreciation		58,490	49,973
Fees payable to auditor	- audit	8,000	6,450
	- other services	<u>2,800</u>	<u>350</u>

**6. Charitable activities**

	<b>Unrestricted funds</b>	<b>Restricted pension fund</b>	<b>Other restricted funds</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2017/18</b>	<b>2016/17</b>
				<b>£</b>	<b>£</b>
<b>Educational operations</b>					
Direct costs	8,979	-	1,353,485	1,362,464	1,466,053
Support costs	22,740	95,000	491,958	609,698	570,265
Teaching School					104,455
	<u>31,719</u>	<u>95,000</u>	<u>1,845,443</u>	<u>1,972,162</u>	<u>2,140,773</u>
<b>2017 total</b>	<u>165,401</u>	<u>86,000</u>	<u>1,889,372</u>	<u>2,140,773</u>	

**Analysis of support costs**

Support staff costs	-	95,000	208,605	303,605	243,227
Depreciation	-	-	29,695	29,695	17,011
Technology costs	-	-	-	-	20,146
Premises costs	-	-	121,028	121,028	131,095
Other support costs	22,740	-	120,220	142,960	150,694
Governance costs	-	-	12,410	12,410	8,092
<b>Total support costs</b>	<u>22,740</u>	<u>95,000</u>	<u>491,958</u>	<u>609,698</u>	<u>570,265</u>
<b>2017 total</b>	<u>16,685</u>	<u>86,000</u>	<u>467,580</u>	<u>570,265</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 2018 (continued)**

**7. Staff**

**a) Staff costs**

Staff costs during the period were:

	<b>Total 2017/18 £</b>	<b>Total 2016/17 £</b>
Wages and salaries	955,847	1,022,424
Social security costs	85,081	91,546
Pensions costs	275,581	263,499
	<u>1,316,509</u>	<u>1,377,469</u>
Supply staff costs	130,043	195,468
	<u>1,446,552</u>	<u>1,572,937</u>

**b) Staff numbers**

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

	<b>2017/18 Number</b>	<b>2016/17 Number</b>
Teachers	10	12
Administration and support	48	28
Management	7	7
	<u>65</u>	<u>47</u>

**c) Higher paid staff**

	<b>2017/18 Number</b>	<b>2016/17 Number</b>
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£70,001 - £80,000	<u>-</u>	<u>1</u>

**d) 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 £329,990 (2017: £400,302).

**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 2018 (continued)**

**8. 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) - resigned 31/12/17*

Remuneration	£15,000 - £20,000 (2017 : £70,000 - £75,000)
Employer's pension contributions paid	£0 - £5,000 (2017 : £10,000 - £15,000)

*Ms M Woodley (staff trustee)*

Remuneration	£45,000 - £50,000 (2017 : £45,000 - £50,000)
Employer's pension contributions paid	£5,000 - £10,000 (2017 : £5,000 - £10,000)

*Mrs R Freeman (staff trustee)*

Remuneration	£35,000 - £40,000 (2017 : £30,000 - £35,000)
Employer's pension contributions paid	£5,000 - £10,000 (2017 : £5,000 - £10,000)

*Mrs Joanne Booker (principal and trustee) - appointed 01/01/18*

Remuneration	£35,000 - £40,000 (2017 : £nil)
Employer's pension contributions paid	£5,000- £10,000 (2017 : £nil)

During the year ended 31 August 2018, travel and subsistence expenses totalling £nil (2017 : £184) were reimbursed or paid directly to nil (2017 : 1) trustees. Other related party transactions involving the trustees are set out in note 22.

**9. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2018 was £129 (2017 : £777). 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 2018 (continued)**

**10. Tangible fixed assets**

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Assets under construction £	Total £
<b>Cost or valuation</b>					
At 1 September 2017	2,715,107	35,505	37,737	144,585	2,932,934
Additions	258,368	10,687	-	-	269,055
Transfer of assets	144,585	-	-	(144,585)	-
At 31 August 2018	<u>3,118,060</u>	<u>46,192</u>	<u>37,737</u>	<u>-</u>	<u>3,201,989</u>
<b>Depreciation</b>					
At 1 September 2017	169,500	13,554	28,809	-	211,863
Charge for the year	<u>40,162</u>	<u>9,990</u>	<u>8,338</u>	<u>-</u>	<u>58,490</u>
At 31 August 2018	<u>209,662</u>	<u>23,544</u>	<u>37,147</u>	<u>-</u>	<u>270,353</u>
<b>Net book values</b>					
At 31 August 2018	<u>2,908,398</u>	<u>22,648</u>	<u>590</u>	<u>-</u>	<u>2,931,636</u>
At 31 August 2017	<u>2,545,607</u>	<u>21,951</u>	<u>8,928</u>	<u>144,585</u>	<u>2,721,071</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 2018 is represented by :

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Assets under construction £	Total £
Valuation in 2013	2,691,660	-	-	-	2,691,660
Cost	426,400	46,192	37,737	-	510,329
	<u>3,118,060</u>	<u>46,192</u>	<u>37,737</u>	<u>-</u>	<u>3,201,989</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 2018 (continued)**

**11. Debtors**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Debtors from operations	-	28,363
VAT recoverable	8,838	7,902
Prepayments and accrued income	52,532	245,958
	<u>61,370</u>	<u>282,223</u>

**12. Creditors**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
<b>Amounts falling due within one year :</b>		
Accruals and deferred income	107,061	217,047
Other creditors	116,841	107,485
	<u>223,902</u>	<u>324,532</u>

**Deferred income**

Deferred income at 1 September 2017	33,649	28,934
Resources deferred in the year	32,885	33,649
Amounts released from previous years	(33,649)	(28,934)
Deferred income at 31 August 2018	<u>32,885</u>	<u>33,649</u>

At the balance sheet date the academy trust was holding funds received in advance for universal infant free school meals.

**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 2018 (continued)**

**13. Funds**

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	85,760	1,542,769	(1,468,190)	(7,459)	152,880
Pupil Premium	-	226,833	(226,833)	-	-
Teaching school	(2,780)	-	-	2,780	-
Other grants	-	91,930	(91,930)	-	-
	<u>82,980</u>	<u>1,861,532</u>	<u>(1,786,953)</u>	<u>(4,679)</u>	<u>152,880</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	2,545,297	-	(40,161)	-	2,505,136
DfE Group capital grants	396,522	8,259	(1,932)	-	402,849
Capital expenditure from GAG	34,426	-	(16,397)	5,622	23,651
	<u>2,976,245</u>	<u>8,259</u>	<u>(58,490)</u>	<u>5,622</u>	<u>2,931,636</u>
<b>Pension reserve</b>	<u>(969,000)</u>	<u>-</u>	<u>(95,000)</u>	<u>181,000</u>	<u>(883,000)</u>
<b>Total restricted funds</b>	<u>2,090,225</u>	<u>1,869,791</u>	<u>(1,940,443)</u>	<u>181,943</u>	<u>2,201,516</u>
<b>Unrestricted funds</b>					
Teaching school	943	-	-	(943)	-
Other income	3,217	32,228	(31,719)	-	3,726
<b>Total unrestricted funds</b>	<u>4,160</u>	<u>32,228</u>	<u>(31,719)</u>	<u>(943)</u>	<u>3,726</u>
<b>Total funds</b>	<u>2,094,385</u>	<u>1,902,019</u>	<u>(1,972,162)</u>	<u>181,000</u>	<u>2,205,242</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 and Skills 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 2018.

**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.

**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 2018 (continued)**

**13. Funds (continued)**

**Restricted fixed asset funds**

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

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	3,298	1,487,568	(1,389,519)	(15,587)	85,760
Pupil Premium	-	231,994	(231,994)	-	-
Teaching School	-	65,800	(68,580)	-	(2,780)
Other grants	-	149,306	(149,306)	-	-
	<u>3,298</u>	<u>1,934,668</u>	<u>(1,839,399)</u>	<u>(15,587)</u>	<u>82,980</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	2,577,399	-	(32,102)	-	2,545,297
DfE Group capital grants	(7,320)	407,841	(3,999)	-	396,522
Capital expenditure from GAG	32,711	-	(13,872)	15,587	34,426
	<u>2,602,790</u>	<u>407,841</u>	<u>(49,973)</u>	<u>15,587</u>	<u>2,976,245</u>
<b>Pension reserve</b>	<u>(922,000)</u>	<u>-</u>	<u>(86,000)</u>	<u>39,000</u>	<u>(969,000)</u>
<b>Total restricted funds</b>	<u>1,684,088</u>	<u>2,342,509</u>	<u>(1,975,372)</u>	<u>39,000</u>	<u>2,090,225</u>
<b>Unrestricted funds</b>					
Teaching school	-	36,818	(35,875)	-	943
Other income	27,591	105,152	(129,526)	-	3,217
<b>Total unrestricted funds</b>	<u>27,591</u>	<u>141,970</u>	<u>(165,401)</u>	<u>-</u>	<u>4,160</u>
<b>Total funds</b>	<u>1,711,679</u>	<u>2,484,479</u>	<u>(2,140,773)</u>	<u>39,000</u>	<u>2,094,385</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 2018 (continued)**

**13. Funds (continued)**

A current year 12 months and prior year 12 months combined position is as follows :

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	3,298	3,030,337	(2,857,709)	(23,046)	152,880
Pupil Premium	-	458,827	(458,827)	-	-
Teaching School	-	65,800	(68,580)	2,780	-
Other grants	-	241,236	(241,236)	-	-
	<u>3,298</u>	<u>3,796,200</u>	<u>(3,626,352)</u>	<u>(20,266)</u>	<u>152,880</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	2,577,399	-	(72,263)	-	2,505,136
DfE Group capital grants	(7,320)	416,100	(5,931)	-	402,849
Capital expenditure from GAG	32,711	-	(30,269)	21,209	23,651
	<u>2,602,790</u>	<u>416,100</u>	<u>(108,463)</u>	<u>21,209</u>	<u>2,931,636</u>
<b>Pension reserve</b>	<u>(922,000)</u>	<u>-</u>	<u>(181,000)</u>	<u>220,000</u>	<u>(883,000)</u>
<b>Total restricted funds</b>	<u>1,684,088</u>	<u>4,212,300</u>	<u>(3,915,815)</u>	<u>220,943</u>	<u>2,201,516</u>
<b>Unrestricted funds</b>					
Teaching school	-	36,818	(35,875)	(943)	-
Other income	27,591	137,380	(161,245)	-	3,726
<b>Total unrestricted funds</b>	<u>27,591</u>	<u>174,198</u>	<u>(197,120)</u>	<u>(943)</u>	<u>3,726</u>
<b>Total funds</b>	<u>1,711,679</u>	<u>4,386,498</u>	<u>(4,112,935)</u>	<u>220,000</u>	<u>2,205,242</u>

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

Fund balances at 31 August 2018  
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	2,931,636	2,931,636
Current assets	3,726	-	376,782	-	380,508
Current liabilities	-	-	(223,902)	-	(223,902)
	<u>3,726</u>	<u>-</u>	<u>152,880</u>	<u>2,931,636</u>	<u>3,088,242</u>
Pension scheme liability	-	(883,000)	-	-	(883,000)
<b>Total net assets</b>	<u>3,726</u>	<u>(883,000)</u>	<u>152,880</u>	<u>2,931,636</u>	<u>2,205,242</u>

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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**14. Analysis of net assets between funds (continued)**

Comparative information in respect of the preceding period is

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	2,721,071	2,721,071
Current assets	4,160	-	407,512	255,174	666,846
Current liabilities	-	-	(324,532)	-	(324,532)
	4,160	-	82,980	2,976,245	3,063,385
Pension scheme liability	-	(969,000)	-	-	(969,000)
<b>Total net assets</b>	<b>4,160</b>	<b>(969,000)</b>	<b>82,980</b>	<b>2,976,245</b>	<b>2,094,385</b>

**15. Capital commitments**

	2018 £	2017 £
Contracted for but not provided in the financial statements	-	260,000

**16. Commitments under operating leases**

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	Total 2018 £	Other Total 2017 £
Amounts due within one year	2,064	2,064
Amounts due within one and five years	343	2,407
	<b>2,407</b>	<b>4,471</b>

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

	Total 2017/18 £	Total 2016/17 £
Net income/(expenditure) for reporting period (as per the SoFA)	(70,143)	343,706
Adjusted for :		
Depreciation (note 10)	58,490	49,973
Capital grants from DfE and other capital income	(8,259)	(407,841)
Interest receivable (note 4)	(161)	(152)
Defined benefit pension scheme cost less contributions payable (note 21)	71,000	66,000
Defined benefit pension scheme finance cost/(income) (note 21)	24,000	20,000
Decrease / (increase) in debtors	220,853	(210,825)
Increase / (decrease) in creditors	(100,630)	225,351
<b>Net cash provided by / (used in) operating activities</b>	<b>195,150</b>	<b>86,212</b>

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**Notes to the financial statements for the year ended 31 August 2018 (continued)**

**18. Cash flows from investing activities**

	Total 2017/18 £	Total 2016/17 £
Interest received	161	152
Purchase of tangible fixed assets	(269,055)	(173,854)
Capital grants from DfE Group	8,259	407,841
<b>Net cash provided by / (used in) investing activities</b>	<u>(260,635)</u>	<u>234,139</u>

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

	At 31 August 2018 £	At 31 August 2017 £
Cash at bank and in hand	319,138	384,623
	<u>319,138</u>	<u>384,623</u>

**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 2016.

**Notes to the financial statements for the year ended 31 August 2018 (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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £79,018 (2017 : £99,985).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

**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 2018 (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 2018 was £109,000 (2017 : £101,000), of which employer's contributions totalled £87,000 (2017 : £80,000) and employees' contributions totalled £22,000 (2017 : £21,000). The agreed contribution rates for future years are between 20.9% for employers and between 5.5% and 6.5% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 21 years.

**Principal actuarial assumptions**

	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment / inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.65%	2.60%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

**Sensitivity analysis**

	<b>As disclosed</b>	<b>Discount rate</b>	<b>CPI rate</b>	<b>In life expectancy</b>
		<b>+ 0.1% pa</b>	<b>+ 0.1% pa</b>	<b>+ 1 year</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Present value of total obligation	1,946	1,905	1,983	2,008
Projected service cost	141	138	144	145
		<b>- 0.1% pa</b>	<b>- 0.1% pa</b>	<b>- 1 year</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Present value of total obligation	1,946	1,988	1,910	1,886
Projected service cost	141	144	138	137

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 2018</b>	<b>At 31 August 2017</b>
Retiring today		
Males	21.9	21.8
Females	24.4	24.6
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6

**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 2018 (continued)**

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

**Local Government Pension Scheme (continued)**

The academy's share of the assets in the scheme was :

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	674,000	597,000
Government bonds	76,000	69,000
Other bonds	39,000	36,000
Property	86,000	69,000
Cash/liquidity	40,000	47,000
Other	148,000	125,000
<b>Total market value of assets</b>	<b>1,063,000</b>	<b>943,000</b>

The actual return on scheme assets was £11,000 (2017 : £134,000).

	2017/18 £	2016/17 £
<b>Amount recognised in the statement of financial activities</b>		
Current service cost (net of employee contributions)	158,000	146,000
Net interest cost	24,000	20,000
<b>Total amount recognised in the SoFA</b>	<b>182,000</b>	<b>166,000</b>

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

	2017/18 £	2016/17 £
<b>At 1 September 2017</b>	<b>1,912,000</b>	<b>1,661,000</b>
Current service cost	158,000	146,000
Interest cost	50,000	37,000
Changes in financial assumptions	(196,000)	67,000
Change in demographic assumptions	-	(14,000)
Experience (gain) on defined benefit obligation	-	(4,000)
Benefits paid net of transfers in	-	(2,000)
Contributions by participants	22,000	21,000
<b>At 31 August 2018</b>	<b>1,946,000</b>	<b>1,912,000</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 2018 (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 :

	2017/18 £	2016/17 £
<b>At 1 September 2017</b>	943,000	739,000
Interest income	26,000	17,000
Return on assets less interest	(15,000)	117,000
Other actuarial (losses)	-	(29,000)
Employer contributions	87,000	80,000
Contributions by participants	22,000	21,000
Benefits paid net of transfers in	-	(2,000)
<b>At 31 August 2018</b>	<u>1,063,000</u>	<u>943,000</u>
<b>Net pension scheme liability</b>	<u>(883,000)</u>	<u>(969,000)</u>

**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 relating to connected and related party transactions.

The following related party transaction took place during the period:

Expenditure Related Party Transaction

**drb Schools and Academies Services Ltd**

	2018 £	2017 £
Company in which trustee, D Bagley, is a director		
Services provided to the academy during the year	<u>19,347</u>	<u>14,170</u>

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2017.

**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 2018 (continued)**

**23. Teaching School**

	2017/18 £	2017/18 £	2016/17 £	2016/17 £
<b>Income</b>				
<b>Direct income</b>				
Other income		-		102,618
<b>Total income</b>		<u>-</u>		<u>102,618</u>
<b>Expenditure</b>				
<b>Direct costs</b>				
Direct staff costs	<u>-</u>		<u>50,961</u>	
		-		50,961
<b>Other costs</b>				
Other support costs	<u>-</u>		<u>53,494</u>	
		-		53,494
<b>Total expenditure</b>		<u>-</u>		<u>104,455</u>
<b>Surplus/(deficit) from all sources</b>		-		(1,837)
<b>Teaching school balances at 1 September 2017</b>		(1,837)		-
<b>Transfer to restricted general funds</b>		1,837		-
<b>Teaching school balances at 31 August 2018</b>		<u>-</u>		<u>(1,837)</u>