

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 2020**

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 2020**

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

Current:

Members			
Jill Saunders			
Charlotte Ward Lewis			
Councilor Mohammed Hussain			
Trustees			
Name	Category	Appointing body	End of office
Jo Booker	Headteacher	Governing body	Ex-Officio
Revd Dr Robert Stephen	Foundation	Diocese	Ex-Officio
Mr Richard Paton Devine	Foundation	Diocese	10/12/22
Ms Hatty Sutton	Foundation	Diocese	TBC
Mr Jagtar Singh Sehjal	Parents	Parent vote	8/12/20
Mrs Deena Shayaam-Smith	Parents	Parent vote	9/7/23
Ms Maureen Woodley	Staff Governor	Staff	1/11/21
Mrs Rebecca Freeman	Staff Governor	Staff	20/10/23
Mr Dave Bagley	Community	Governing body	07/03/21
Mr Mike Ewins	Community	Governing body	01/12/23
Clerk to the board:	Cordell O'Neill		

Company secretary

Dave Bagley

Senior management team

- Head Teacher Joanne Booker
- Deputy Head Maureen Woodley
- Assistant Head Sarah Swords
- Assistant Head Ian Smith

Company name

St Mary's C of E Primary and Nursery Academy, Handsworth
Hamstead Rd,
Handsworth,
Birmingham
B20 2RW

Company registration number

8296506

Independent auditor

Feltons
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

Bankers

Lloyds – Colmore Row,
Birmingham
B3 3SD

Solicitors

Birmingham City Council Solicitors
Irwin Mitchel- 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 for the year ended 31 August 2020

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The academy trust operates an academy for pupils aged 3 to 11 serving a catchment area in Handsworth Birmingham. It has a pupil capacity of 420 and had a roll of 408 in the school census in October 2020. The school is currently also able to cater for 52 part time nursery places.

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 of St Mary's CE Primary Academy are also the directors of the charitable company for the purposes of company law. The charitable company operates as St Mary's CE Primary and Nursery Academy, Handsworth.

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The cover is with Marsh Ltd.

Method of recruitment and appointment or election of Trustees

The Academy Trust shall have *up to* the following Governors:

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

Parent trustees are elected by the parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when she/he is elected.

Community trustees may be appointed by the board of trustees provided that the person who is appointed as a community trustee is:

- a person who lives or works in the community served by the academy; or
- a person who, in the opinion of the board of trustees, is committed to the government and success of the academy.

Staff Trustees are elected by employees of the academy trust.

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Trustees' report for the year ended 31 August 2020 (continued)

Foundation Governors are selected by the Diocese.

The above selection procedures are completed following the Local Authority guidance for parent elections. The Diocese goes to the Diocesan appointment committee at the end of a trustee's term of service to look at reappointment or a change of appointment. Community trustees are considered by the board of trustees at the end of their term of service in terms of reappointment or change. Staff trustees are nominated and voted for by ballot as per parent trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

The board of trustees has a service level agreement with the trustee support department of Birmingham School and Governor Support at Birmingham LA to provide training, advice and support to the board of trustees. There is also a service level agreement with SIPs for clerk and governance support.

This all enhances and supports the in-house induction and training programme. Courses and training are also offered by Birmingham LA and other training providers and the Clerk informs each trustee about these. Trustees are kept up to date with their legislative obligations and best practice through the above support services and by the Clerk to the Governing Body.

Newly elected trustees attend induction training for new trustees, and in addition select specific training provided by trustee support in accordance with their needs.

Organisational structure

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

It is the duty of the Governing Body to nominate and appoint a responsible officer' for the purposes of making periodic checks on the academy's systems, controls and financial transactions. The trustees has appointed Schools Financial Services through the LA 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.

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 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.

The board of trustees has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Staffing, Finance and Premises
- Performance, Standards and Safeguarding

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Trustees' report for the year ended 31 August 2020 (continued)

- Staff Welfare
- Pay

The written terms of reference of the committees include the monitoring of the preparation and management of the academy's budget and implementation of the academy's financial management policies, including risk assessment.

The board of trustees also appoints a responsible officer and this role has been fully implemented in accordance with the academy trust's financial procedures.

Arrangements for setting pay and remuneration of key management personnel

A pay policy is in place. The Head teacher and SLT carry out performance management reviews linked to the teacher standards. Recommendations are presented to the Pay committee who agree/disagree based upon evidence shared. Pay scales for specific roles are referred to. The Head teacher is reviewed by nominated Trustee/s and an external advisor. Decisions are presented to pay committee for authorisation.

Trade union facility time

N/A 48 staff only

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

Objectives and activities

Mission Statement & Aims

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

Ethos Statement

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

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

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

School Culture

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

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Trustees' report for the year ended 31 August 2020 (continued)

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

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

The main objectives for the year are:

- 1) To improve outcomes for all pupils in mathematics, closing any gaps, ensuring that attainment and progress are at least in line with national by the end of KS2
- 2) To review the wider curriculum ensuring clear intent and implementation impacts positively on outcomes for all pupils
- 3) To ensure that leadership, especially at middle leader and governance level, impacts positively upon standards
- 4) To further develop behaviour and wellbeing beyond the classroom
- 5) To further develop outdoor learning provision impacting positively on standards, behaviour, well-being and personal development

The strategies adopted for achieving these objectives are:

- CPD
- Introduction/embedment of new curriculum strategies and teaching methods
- Resources human/concrete
- Pastoral strategies alongside school games implemented

Public benefit

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/running-charity/managing-charity in exercising their powers or duties.

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 CE Primary Academy is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

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Trustees' report for the year ended 31 August 2020 (continued)

Strategic Report

Achievements and Performance

Due to the Covid 19 pandemic, there was no statutory testing or assessment requirements in the academic year 2019-2020. Therefore there was no national data as a comparison either. The data provided is the last set of official data held by the academy. Internal data prior to March 2020 suggested that by the end of KS2 pupils would be achieving around 80% in all statutory test subjects. It is impossible to state if children would have achieved these percentages due to the pandemic.

2019

EYFS - GLD	National
77%	72%

2018 85% National 71%

2017 82% National 71%

2016: 82% National 66%

Year 1 Phonics 2019

Phonics	National
90%	82%

2018 88% National 82%

2017: 93%

2016: 91% National 81%

Key stage 1 SATs

2019	National	Expected +	Greater Depth
Reading	75%	78%	19%
Writing	69%	78%	14%
Maths	76%	79%	21%
Combined	65%	75%	Nat 11% Sch 14%

2018	Expected +	Greater Depth
Reading	82%	19%
Writing	81%	14%
Maths	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

2019	National	Expected +	Greater Depth
Reading	73%	80%	22%
Writing	78%	82%	18%

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Trustees' report for the year ended 31 August 2020 (continued)

Key stage 2 SATs			
Maths	79%	67%	22%
SPAG	78%	87%	47%
Combined	National 65%		School 64.4%

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%
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

	2019	2018	2017	2016
Reading	+0.8	-1.4	-0.82	-2.35
Writing	+0.4	0.2	-0.77	-1.0
Maths	+0.4	-1.6	+2.21	-3.49

Key Performance Indicators

St Mary's C of E Primary and Nursery Academy was rated as Good in its last inspection July 2018 and Outstanding in its last SIAMS (church school) inspection April 2018. The Academy is above national in all key stages and subjects with the exception of maths at KS2. Internal testing and data suggested that in the academic year 2019-2020 Maths would have been in line with 2019 National thus demonstrating an improvement.

Attendance is consistently above 96%

Pupil numbers

Pupil numbers are **currently**; as per autumn 2020

Year Group	Number on roll	Waiting list
N	24	0
R	60 Full	4
1	60 Full	12
2	58	12
3	60 Full	13
4	54	5
5	60 Full	15
6	55	5

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Trustees' report for the year ended 31 August 2020 (continued)

- Direct costs as a percentage of total costs were 59.8% (2019 : 69.7%)
- Support costs as a percentage of total costs were 40.2% (2019 : 30.3%)
- Total payroll costs as a percentage of recurring income were 77.3% (2019 : 68.8%)

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 CE Primary and Nursery Academy 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.

During the year ended 31 August 2020 total resources expended were £2,067,115 and the surplus of income over expenditure was £27,282 which included depreciation of £55,652.

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 2020 of £1,658,624 which included £595,082 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 £2,846,816 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 £598,808.

In addition, the deficit on the restricted pension fund of £1,787,000 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.

**St Mary's C of E Primary and Nursery Academy, Handsworth
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Trustees' report for the year ended 31 August 2020 (continued)

Investment Policy

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.

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

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

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the period was monitored by the Trustees.

We fundraise for the charities we support (e.g. poppy fund, children in need, jeans for genes) and on occasion to provide extra financial resources for equipment for the children. (e.g. playground equipment) This money is banked to the proposed charity and the receipt kept along with any certificates provided by external charities. Any monies collected for the Academy charity are banked and form part of the academy's accounts. All fundraising is voluntary and pupils are not excluded from activities such as none school uniform day if they have not contributed. We follow the guidance on fundraising as set out in the provisions of the charities protection and social investment act 2016

Plans for Future Periods

Governors recognise the impact of the learning environment on the levels of pupil achievements and continue to develop and improve the teaching, learning and whole school environment in a continually evolving education system. They actively seek to improve the school building and space available for pupils. Trustees have pursued an application to transfer to a multi academy trust in spring 2021, consultation is in process.

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.

**St Mary's C of E Primary and Nursery Academy, Handsworth
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Trustees' report for the year ended 31 August 2020 (continued)

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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on *20th June 2020* and signed on the board's behalf by:



Reverend Dr Robert Stephen - Chair of Trustees

St Mary's C of E Primary and Nursery Academy, Handsworth
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Governance statement for the year ended 31 August 2020

Scope of Responsibility

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

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Mary's CE Primary and Nursery Academy 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 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows :

(1) Governor Name	(2) Position	(3) Date Appointed	(4) End of Term date	(5) Reason for stepping down	(6) Relevant Business and Pecuniary Interests (please specify)	(7) Trusteeships and Governorship s at other educational establishmen ts/charities (please specify)	(8) Personal relations hips with trust employees or other members/t rustees/l ocal governors (please specify)	(9) Date of declaration	(10) 2019/20 meeting attendance
Jo Booker	Head Teacher (IST)	Ex- Officio	Ex- Officio		None	None	None	18/08/20	8/8
Rev'd Bob Stephen	(IST) Chair Whistle Blowing Trustee Link Well Being Trustee Link	Ex- Officio	Ex- Officio		None	None	None	18/8/20	7/8
Mike Twins	(IST) Community Governor Safeguardin g/Child Protection Trustee Link	02/12/18	01/12/2 3		None	KEVI HWGA Academy - Governor	None	18/8/20	6/7
Richard Paton Devine	(IST) Foundation Governor Vice Chair	11/12/18	10/12/2 2		None	None	None	18/8/20	5/7
David Bagley	(IST) Community Governor Safer Recruitment Link	08/08/17	07/08/2 1		DBS services School and Academies Services Ltd - CEO Owner	None	None	18/8/20	1/7

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Governance statement for the year ended 31 August 2020

Rebecca Freeman	(IST) Staff Governor Health & Safety Trustee Link Well Being Trustee Link	21/10/13	20/10/2 3		None	None	None	18/9/20	5/2
Maureen Woodley	(IST) Staff Governor GDPR Trustee Link	4/11/17	01/11/2 1					18/9/20	4/6
Jagtar Sing Sehgal	(IST) Parent Governor	09/12/16	09/12/2 0					18/9/20	2/6
Deena Shayam- Smith	(IST) Parent Governor SEND Governor	09/07/15	09/07/2 3		None	None	None	18/9/20	1/4
Ms Melanie Johnson - Parent -	Parent			July 2020					
Mrs Ethel Lubin	Foundation			September 2020					
Mrs Anthea Insular- Butcher -	Parent			July 2020					1/5

The Boards work is achieved through 2 main committee meetings –

- Staffing, Finance and Premises
- Performance, Standards and Safeguarding

The staffing, finance and premises committee

- 3 trustees stepped down due to other commitments
- An external review of governance was undertaken in April 2018 which rated the Governing body as level 2
- The trust intends to conduct its next self-evaluation/external review in Spring 2021 as part of the transfer process to a MAT
- The Trustees wish to extend their expertise through working with a MAT

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Governance statement for the year ended 31 August 2020 (continued)

Review of value for money

As accounting officer the principal (*reword as appropriate*) has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by :

- Utilities provider brokered and deals brokered to reduce costs
- 3 years deal on insurance to reduce costs

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 on-going process designed to identify and prioritise the risks to the achievement of the academy trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mary's CE Primary and Nursery Academy for the period from 1 September 2019 to 31 August 2020 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 period from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

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

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

- *testing of personnel payroll systems , putting on to system correctly (actuals)*
- *testing of purchase systems , invoicing (raised, delivered and paid)*
- *testing of accounting systems/ bank reconciliations*

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Governance statement for the year ended 31 August 2020 (continued)

- *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 reviewer
- the work of the external auditor;
- the financial management and governance self-assessment process of the school resource management self-assessment tool;
- the work of the executive managers within the academy trust 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 20th Dec 2020 and signed on its behalf by:



Reverend Dr Robert Stephen
Chair of Trustees



Joanne Booker
Accounting Officer

**St Mary's C of E Primary and Nursery Academy, Handsworth
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**Statement of regularity, propriety and compliance
for the year ended 31 August 2020**

As accounting officer of St Mary's CE Primary and Nursery Academy I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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 2019.

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 2019.

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.

Joanne Booker – Accounting Officer



20th December 2020

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

**Statement of Trustees' Responsibilities
for the year ended 31 August 2020**

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

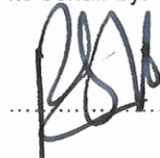
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 18th March 2020 and signed on its behalf by:



..... Reverend Dr Robert Stephen – 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 year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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 2020, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education & Skills Funding Agency

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 the 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. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. 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 the Members of St Mary's C of E
Primary and Nursery Academy, Handsworth
(continued)**

Responsibilities for the financial statements

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 the 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.

Use of our report

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.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

21 December 2020

**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 2019 to 2020, 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 2019 to 31 August 2020 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 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 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 ESFA, for our work, for this report, or for the

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

The accounting officer is responsible, under the requirements of St Mary's C of E Primary and Nursery Academy, Handsworth's funding agreement with the Secretary of State for Education dated 28 January 2013 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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 2019 to 31 August 2020 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

21 December 2020

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 2020
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2019/20 £	Total 2018/19 £
Income from :							
Donations and capital grants	2	-	-	-	8,602	8,602	23,532
Charitable activities :	3						
Funding for the academy trust's educational operations		76,764	-	2,008,763	-	2,085,527	2,050,882
Other trading activities	4	-	-	-	-	-	4,546
Investments	5	268	-	-	-	268	228
Total		77,032	-	2,008,763	8,602	2,094,397	2,079,188
Expenditure on :							
Charitable activities:							
Academy trust educational operations	6	77,032	84,000	1,850,431	55,652	2,067,115	1,909,088
Total		77,032	84,000	1,850,431	55,652	2,067,115	1,909,088
Net income/(expenditure) before transfers		-	(84,000)	158,332	(47,050)	27,282	170,100
Transfers between funds	14	-	-	-	-	-	-
Net income after transfers		-	(84,000)	158,332	(47,050)	27,282	170,100
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	14, 22	-	(584,000)	-	-	(584,000)	(160,000)
Net movement in funds		-	(668,000)	158,332	(47,050)	(556,718)	10,100
Reconciliation of funds							
Total funds brought forward	14	3,726	(1,119,000)	436,750	2,893,866	2,215,342	2,205,242
Total funds carried forward		3,726	(1,787,000)	595,082	2,846,816	1,658,624	2,215,342

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

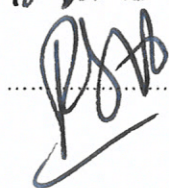
St Mary's C of E Primary and Nursery Academy, Handsworth
(A Company Limited by Guarantee)

Company number : 08296506

Balance sheet as at 31 August 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	11		2,842,927		2,893,866
Current assets					
Debtors	12	85,441		68,038	
Cash at bank and in hand		<u>704,971</u>		<u>573,833</u>	
		790,412		641,871	
Liabilities					
Creditors: amounts falling due within one year	13	<u>187,715</u>		<u>201,395</u>	
Net current assets			602,697		440,476
Net assets excluding pension liability			<u>3,445,624</u>		<u>3,334,342</u>
Defined benefit pension scheme liability	22		(1,787,000)		(1,119,000)
Total net assets			<u><u>1,658,624</u></u>		<u><u>2,215,342</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	14	2,846,816		2,893,866	
Restricted income fund	14	595,082		436,750	
Pension reserve	14	<u>(1,787,000)</u>		<u>(1,119,000)</u>	
Total restricted funds			1,654,898		2,211,616
Unrestricted income funds	14		3,726		3,726
Total funds			<u><u>1,658,624</u></u>		<u><u>2,215,342</u></u>

The financial statements on pages 23 to 44 were approved by the trustees, and authorised for issue on 18th December 2020 and are signed on their behalf by:



Revd Dr R Stephen - 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 2020

	Notes	2019/20 £	2018/19 £
Cash flows from operating activities			
Net cash provided by operating activities	18	126,981	248,233
Cash flows from investing activities	19	4,157	6,462
Change in cash and cash equivalents in the reporting period		131,138	254,695
Cash and cash equivalents at 1 September 2019		573,833	319,138
Cash and cash equivalents at 31 August 2020	20	704,971	573,833

**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 2020

1. 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 2019 to 2020 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

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 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 2020 (continued)

1. 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 2020 (continued)

1. 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. 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
Furniture 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 to freehold or 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.

**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 2020 (continued)

1. Accounting policies (continued)

Financial instruments (continued)

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

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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 net income/(expenditure) are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Notes to the financial statements for the year ended 31 August 2020 (continued)

1. 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 those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

Restricted general funds comprise all other restricted funds received 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 22, 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 2020. 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
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2020 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
Capital grants	-	-	8,602	8,602	23,532
	-	-	8,602	8,602	23,532
2019 total	-	-	23,532	23,532	

3. Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2019/20 Total £	2018/19 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	1,706,455	-	1,706,455	1,601,065
Other DfE Group grants	-	226,845	-	226,845	243,827
	-	1,933,300	-	1,933,300	1,844,892
Other government grants					
Local authority grants	-	69,463	-	69,463	112,611
Other government funding	-	6,000	-	6,000	2,455
	-	75,463	-	75,463	115,066
Other income from the academy trust's educational operations	76,764	-	-	76,764	90,924
	76,764	75,463	-	152,227	205,990
	76,764	2,008,763	-	2,085,527	2,050,882
2019 total	90,924	1,959,958	-	2,050,882	

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Hire of facilities	-	-	-	4,546
	-	-	-	4,546
2019 total	4,546		4,546	

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 2020 (continued)

5. Investment income

	Unrestricted funds £	Restricted funds £	2019/20 Total £	2018/19 Total £
Short term deposits	268	-	268	228
2019 total	228	-	228	

6. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2019/20 Total £	2018/19 Total £
Academy's educational operations					
Direct costs	1,103,402	34,338	99,116	1,236,856	1,330,677
Allocated support costs	516,102	141,846	172,311	830,259	578,411
	<u>1,619,504</u>	<u>176,184</u>	<u>271,427</u>	<u>2,067,115</u>	<u>1,909,088</u>
2019 total	1,430,338	152,626	326,124	1,909,088	

Net income for the period includes :

		2019/20 £	2018/19 £
Operating leases	- plant and machinery	6,927	2,064
Depreciation		55,652	55,068
Fees payable to auditor	- audit	8,500	8,250
	- other services	<u>275</u>	<u>-</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 2020 (continued)

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2019/20 Total £	2018/19 Total £
Educational operations					
Direct costs	6,367	-	1,230,489	1,236,856	1,330,677
Support costs	70,665	84,000	675,594	830,259	578,411
	<u>77,032</u>	<u>84,000</u>	<u>1,906,083</u>	<u>2,067,115</u>	<u>1,909,088</u>
2019 total	<u>95,698</u>	<u>76,000</u>	<u>1,737,390</u>	<u>1,909,088</u>	
Analysis of support costs					
Support staff costs	-	84,000	432,102	516,102	319,242
Depreciation	-	-	21,314	21,314	27,985
Premises costs	-	-	109,570	109,570	88,845
Other support costs	70,665	-	103,833	174,498	132,029
Governance costs	-	-	8,775	8,775	10,310
Total support costs	<u>70,665</u>	<u>84,000</u>	<u>675,594</u>	<u>830,259</u>	<u>578,411</u>
2019 total	<u>82,027</u>	<u>76,000</u>	<u>420,384</u>	<u>578,411</u>	

8. Staff

a) Staff costs

Staff costs during the period were:

	2019/20 £	2018/19 £
Wages and salaries	1,016,040	957,090
Social security costs	88,766	83,229
Pension costs	323,468	268,545
	<u>1,428,274</u>	<u>1,308,864</u>
Agency staff costs	191,230	121,474
	<u>1,619,504</u>	<u>1,430,338</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 2020 (continued)

8. Staff (continued)

b) Staff numbers

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

	2019/20 Number	2018/19 Number
Teachers	12	12
Administration and support	30	44
Management	5	5
	<u>47</u>	<u>61</u>

c) Higher paid staff

	2019/20 Number	2018/19 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	<u>1</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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £293,925 (2019: £273,060).

9. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from 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 Joanne Booker (principal and trustee)	
Remuneration	£65,000 - £70,000 (2019 : £60,000 - £65,000)
Employer's pension contributions paid	£15,000 - £20,000 (2019 : £10,000 - £15,000)
Ms M Woodley (staff trustee)	
Remuneration	£50,000 - £55,000 (2019 : £45,000 - £50,000)
Employer's pension contributions paid	£10,000 - £15,000 (2019 : £5,000 - £10,000)
Mrs R Freeman (staff trustee)	
Remuneration	£40,000 - £45,000 (2019 : £35,000 - £40,000)
Employer's pension contributions paid	£5,000 - £10,000 (2019 : £5,000 - £10,000)

**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 2020 (continued)

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

There were no travel and subsistence expenses reimbursed directly or paid to any trustee during the current or previous year.

Other related party transactions involving the trustees are set out in note 23.

10. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost of £14,775.

11. Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2019	3,118,060	59,730	41,497	3,219,287
Additions	-	2,870	1,843	4,713
At 31 August 2020	<u>3,118,060</u>	<u>62,600</u>	<u>43,340</u>	<u>3,224,000</u>
Depreciation				
At 1 September 2019	249,824	36,919	38,678	325,421
Charge for the year	40,162	14,090	1,400	55,652
At 31 August 2020	<u>289,986</u>	<u>51,009</u>	<u>40,078</u>	<u>381,073</u>
Net book values				
At 31 August 2020	<u>2,828,074</u>	<u>11,591</u>	<u>3,262</u>	<u>2,842,927</u>
At 31 August 2019	<u>2,868,236</u>	<u>22,811</u>	<u>2,819</u>	<u>2,893,866</u>

Leasehold property was valued at 1 February 2013 by The Valuation Office Agency – DVS. The basis on which the valuation was made was depreciated replacement 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 2020 (continued)

11. Tangible fixed assets (continued)

Cost or valuation at 31 August
2020 is represented by :

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
Valuation in 2013	2,691,660	-	-	2,691,660
Cost	426,400	62,600	43,340	532,340
	<u>3,118,060</u>	<u>62,600</u>	<u>43,340</u>	<u>3,224,000</u>

12. Debtors

	2020 £	2019 £
VAT recoverable	22,756	8,280
Prepayments and accrued income	<u>62,685</u>	<u>59,758</u>
	<u>85,441</u>	<u>68,038</u>

13. Creditors

	2020 £	2019 £
Amounts falling due within one year :		
Creditors from operations	-	486
Accruals and deferred income	76,783	93,551
Other creditors	<u>110,932</u>	<u>107,358</u>
	<u>187,715</u>	<u>201,395</u>

Deferred income

Deferred income at 1 September 2019	32,439	32,885
Resources deferred in the year	34,763	32,439
Amounts released from previous years	<u>(32,439)</u>	<u>(32,885)</u>
Deferred income at 31 August 2020	<u>34,763</u>	<u>32,439</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 2020 (continued)

14. Funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	436,750	1,706,455	(1,548,123)	-	595,082
Pupil premium	-	138,661	(138,661)	-	-
Other grants	-	163,647	(163,647)	-	-
	<u>436,750</u>	<u>2,008,763</u>	<u>(1,850,431)</u>	<u>-</u>	<u>595,082</u>
Restricted fixed asset funds					
Transfer on conversion	2,464,974	-	(31,633)	-	2,433,341
DfE Group capital grants	419,331	8,602	(23,835)	-	404,098
Capital expenditure from GAG	9,561	-	(184)	-	9,377
	<u>2,893,866</u>	<u>8,602</u>	<u>(55,652)</u>	<u>-</u>	<u>2,846,816</u>
Pension reserve	<u>(1,119,000)</u>	<u>-</u>	<u>(84,000)</u>	<u>(584,000)</u>	<u>(1,787,000)</u>
Total restricted funds	<u>2,211,616</u>	<u>2,017,365</u>	<u>(1,990,083)</u>	<u>(584,000)</u>	<u>1,654,898</u>
Unrestricted funds					
Other income	3,726	77,032	(77,032)	-	3,726
Total unrestricted funds	<u>3,726</u>	<u>77,032</u>	<u>(77,032)</u>	<u>-</u>	<u>3,726</u>
Total funds	<u>2,215,342</u>	<u>2,094,397</u>	<u>(2,067,115)</u>	<u>(584,000)</u>	<u>1,658,624</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 2020.

Unrestricted funds

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

Restricted fixed asset funds

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

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

Notes to the financial statements for the year ended 31 August 2020 (continued)

14. Funds (continued)

Comparative information in respect of the preceding period

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	152,880	1,601,065	(1,323,429)	6,234	436,750
Pupil premium	-	143,992	(143,992)	-	-
Other grants	-	214,901	(214,901)	-	-
	<u>152,880</u>	<u>1,959,958</u>	<u>(1,682,322)</u>	<u>6,234</u>	<u>436,750</u>
Restricted fixed asset funds					
Transfer on conversion	2,505,136	-	(40,162)	-	2,464,974
DfE Group capital grants	402,849	23,532	(816)	(6,234)	419,331
Capital expenditure from GAG	23,651	-	(14,090)	-	9,561
Donations	-	-	-	-	-
	<u>2,931,636</u>	<u>23,532</u>	<u>(55,068)</u>	<u>(6,234)</u>	<u>2,893,866</u>
Pension reserve	<u>(883,000)</u>	<u>-</u>	<u>(76,000)</u>	<u>(160,000)</u>	<u>(1,119,000)</u>
Total restricted funds	<u>2,201,516</u>	<u>1,983,490</u>	<u>(1,813,390)</u>	<u>(160,000)</u>	<u>2,211,616</u>
Unrestricted funds					
Other income	<u>3,726</u>	<u>95,698</u>	<u>(95,698)</u>	<u>-</u>	<u>3,726</u>
Total unrestricted funds	<u>3,726</u>	<u>95,698</u>	<u>(95,698)</u>	<u>-</u>	<u>3,726</u>
Total funds	<u>2,205,242</u>	<u>2,079,188</u>	<u>(1,909,088)</u>	<u>(160,000)</u>	<u>2,215,342</u>

15. Analysis of net assets between funds

Fund balances at 31 August 2020
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	2,842,927	2,842,927
Current assets	3,726	-	782,797	3,889	790,412
Current liabilities	-	-	(187,715)	-	(187,715)
	<u>3,726</u>	<u>-</u>	<u>595,082</u>	<u>2,846,816</u>	<u>3,445,624</u>
Pension scheme liability	-	(1,787,000)	-	-	(1,787,000)
Total net assets	<u>3,726</u>	<u>(1,787,000)</u>	<u>595,082</u>	<u>2,846,816</u>	<u>1,658,624</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 2020 (continued)

15. Analysis of net assets between funds (continued)

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

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	2,893,866	2,893,866
Current assets	3,726	-	638,145	-	641,871
Current liabilities	-	-	(201,395)	-	(201,395)
	<u>3,726</u>	<u>-</u>	<u>436,750</u>	<u>2,893,866</u>	<u>3,334,342</u>
Pension scheme liability	-	(1,119,000)	-	-	(1,119,000)
Total net assets	<u>3,726</u>	<u>(1,119,000)</u>	<u>436,750</u>	<u>2,893,866</u>	<u>2,215,342</u>

16. Capital commitments

There were no capital commitments at 31 August 2020 nor at 31 August 2019.

17. Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	Other	
	Total 2020	Total 2019
	£	£
Amounts due within one year	6,584	343
Amounts due between one and five years	<u>13,168</u>	<u>-</u>
	<u>19,752</u>	<u>343</u>

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

	2019/20	2018/19
	Total	Total
	£	£
Net income for reporting period (as per the SoFA)	27,282	170,100
Adjusted for :		
Depreciation (note 11)	55,652	55,068
Capital grants from DfE and other capital income	(8,602)	(23,532)
Interest receivable (note 5)	(268)	(228)
Defined benefit pension scheme cost less contributions payable (note 22)	64,000	54,000
Defined benefit pension scheme finance cost/(income) (note 22)	20,000	22,000
Increase in debtors	(17,403)	(6,668)
Decrease in creditors	<u>(13,680)</u>	<u>(22,507)</u>
Net cash provided by operating activities	<u>126,981</u>	<u>248,233</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 2020 (continued)

19. Cash flows from investing activities

	2019/20 Total £	2018/19 Total £
Interest received	268	228
Purchase of tangible fixed assets	(4,713)	(17,298)
Capital grants from DfE Group	8,602	23,532
Net cash provided by / (used in) investing activities	4,157	6,462

20. Analysis of cash and cash equivalents

	At 31 August 2020 £	At 31 August 2019 £
Cash at bank and in hand	704,971	573,833
	704,971	573,833

21. 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.

22. Pension and similar obligations

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

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

Contributions amounting to £26,094 (2019 : £19,256) were payable to the schemes at 31 August 2020 and are included within creditors.

**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 2020 (continued)

22. 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 teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every four years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are :

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £122,571 (2019 : £75,585).

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 2020 (continued)

22. 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 2020 was £129,000 (2019 : £140,000), of which employer's contributions totalled £106,000 (2019 : £117,000) and employees' contributions totalled £23,000 (2019 : £23,000). The agreed contribution rates for future years are 23.5% for employers and between 5.5% and 6.8% for employees.

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

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

Principal actuarial assumptions

	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.30%	3.70%
Rate of increase for pensions in payment / inflation	2.30%	2.20%
Discount rate for scheme liabilities	1.60%	1.85%
Inflation assumption (CPI)	2.30%	2.20%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	3,234	3,243	3,302	3,362
Projected service cost	212	212	218	220
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	3,234	3,225	3,168	3,111
Projected service cost	212	212	207	204

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

	At 31 August 2020	At 31 August 2019
Retiring today		
Males	21.9	20.9
Females	24.1	23.2
Retiring in 20 years		
Males	23.8	22.6
Females	26.0	25.1

**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 2020 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	31 August 2020	31 August 2019
	£	£
Equities	813,000	752,000
Government bonds	157,000	118,000
Other bonds	56,000	47,000
Property	109,000	102,000
Cash/liquidity	96,000	45,000
Other	216,000	186,000
Total market value of assets	1,447,000	1,250,000

The actual return on scheme assets was £126,000 (2019 : £75,000).

	2019/20	2018/19
	£	£
Amount recognised in the statement of financial activities		
Current service cost	169,000	170,000
Net interest cost	20,000	22,000
Administration expenses	1,000	1,000
Total amount recognised in the SoFA	190,000	193,000

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

	2019/20	2018/19
	£	£
At 1 September 2019	2,369,000	1,946,000
Current service cost	169,000	148,000
Interest cost	44,000	52,000
Employee contributions	23,000	23,000
Experience loss on defined benefit obligation	338,000	-
Benefits paid	(6,000)	(27,000)
Change in demographic assumptions	82,000	(120,000)
Past service cost, including curtailments	-	22,000
Change in financial assumptions	215,000	325,000
At 31 August 2020	3,234,000	2,369,000

**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 2020 (continued)

22. 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 :**

	2019/20	2018/19
	£	£
At 1 September 2019	1,250,000	1,063,000
Interest income	24,000	30,000
Actuarial gains/(losses)	(51,000)	-
Employer contributions	106,000	117,000
Employee contributions	23,000	23,000
Benefits paid	(6,000)	(27,000)
Administration expenses	(1,000)	(1,000)
Return on assets less interest	102,000	45,000
At 31 August 2020	1,447,000	1,250,000
Net pension scheme liability	(1,787,000)	(1,119,000)

23. 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transaction(s) took place during the period:

Expenditure related party transaction

drb Schools and Academies Services Limited

Company in which trustee, D Bagley, has a direct interest	2020 £	2019 £
Services provided to the academy during the year	13,724	13,595

The element above £2,500 has been provided 'at no more than cost' and drb Schools and Academies Services Limited has provided a statement of assurance confirming this.

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