

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 2019**

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 2019**

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

Reference and Administrative Details

Trustees	Jo Booker (Head) J Sehjal (Vice chair) E Lubin M Woodley S Dooley (03/19 end of office) A Insular-Butcher M Johnson M Ewins H France D Bagley (Chair until 24/09/19) R Paton-Devine Revd Dr R Stephen (Appointed Chair on 24/09/19) R Freeman M Edwards (Resigned 12/18) D Smith (Appointed on 24/09/19)
Company secretary	Dave Bagley
Senior management team	
• Head Teacher	Joanne Booker
• Deputy Head Teacher	Maureen Woodley
• Assistant Head Teacher	Sarah Swords
• Assistant Head Teacher (Part time - 2 days)	Ian Smith
Company name	St Mary's C of E Primary and Nursery Academy, Handsworth
Principal and registered office	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 Mitchell Imperial House 31 Temple Street Birmingham B2 5DB

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

Trustees' report for the year ended 31 August 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. 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. It has a pupil capacity of 390 (this will increase to 405 in 19/20 and 420 in 20/21) and had a roll of 395 in the school census on 3 October 2019 during the Autumn census. 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 C of E Primary and Nursery Academy, Handsworth are also the directors of the charitable company for the purposes of company law. The charitable company operates as St Mary's C of E 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 insurance provides cover up to £2,000,000 on any one claim.

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.

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

Trustees' report for the year ended 31 August 2019 (continued)

Method of recruitment and appointment or election of Trustees (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 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.

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 have 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 approve 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 is responsible for the day to day management of the academy.

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

Trustees' report for the year ended 31 August 2019 (continued)

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:

- Finance
- Buildings, Health and Safety
- Standards
- Audit
- 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. The Head teacher is reviewed by nominated Trustee/s and an external advisor. Decisions are presented to pay committee for authorisation.

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, Handsworth which include DRB and the Diocesan Board of Education.

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

Objectives and activities

Objects and aims

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

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

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

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

Trustees' report for the year ended 31 August 2019 (continued)

The Aims of the academy during the period ended 31 August 2019 are summarised below.

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

Mission Statement & Aims

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

Ethos Statement

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

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

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

School Culture

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

We aim to:

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

**St Mary's C of E Primary and Nursery Academy, Handsworth
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Trustees' report for the year ended 31 August 2019 (continued)

Objectives, strategies and activities

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

The main objectives for the year are:

- 1) To improve outcomes for all pupils, closing any gaps, ensuring that attainment and progress are at least in line with national by the end of KS2
- 2) To improve the quality of teaching, learning and assessment, and in turn pupil outcomes, ensuring that pupils make the progress of which they are capable.
- 3) To ensure that leadership, especially at middle leader and governance level, impacts positively upon standards
- 4) To develop behaviour and wellbeing beyond the classroom further to build outstanding practice
- 5) To further develop outdoor learning provision impacting positively on standards, behaviour, well-being and development
- 6) To manage the impact of building work on site to minimise the effect on teaching, learning and pupil behaviour

The strategies adopted for achieving these objectives are:

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

Public benefit

We have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit. 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/topic/running-charity/managing-charity in exercising their powers or duties.

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.

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

**St Mary's C of E Primary and Nursery Academy, Handsworth
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Trustees' report for the year ended 31 August 2019 (continued)

Strategic Report

Achievements and Performance

EYFS - GLD	National
77%	72%

2018: 85% National 71%
2017: 82% National 71%
2016: 82% National 66%

Year 1 Phonics

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%
Maths	79%	67%	22%
SPAG	78%	87%	47%

Combined	National 65%	School 64.4%
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**St Mary's C of E Primary and Nursery Academy, Handsworth
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Trustees' report for the year ended 31 August 2019 (continued)

Key stage 2 SATs (continued)

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%
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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%
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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, Handsworth 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.

Pupil numbers

Pupil numbers are **currently**; as per autumn 2019

Year Group	Number on roll	Waiting list
N	25	0
R	60 Full	11
1	60 Full	11
2	60 Full	18
3	57	5
4	59	8
5	57	7
6	45 Full	15

**St Mary's C of E Primary and Nursery Academy, Handsworth
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Trustees' report for the year ended 31 August 2019 (continued)

Key Performance Indicators (continued)

- Direct costs as a percentage of total costs were 69.7% (2018 : 69.1%)
- Support costs as a percentage of total costs were 30.3% (2018 : 30.9%)
- Total payroll costs as a percentage of recurring income were 68.8% (2018 : 76.1%)

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. The Academy is mindful of taking appropriate actions to ensure a balanced budget in the event of reduced pupil numbers.

Financial Review

The financial results of St Mary's C of E Primary and Nursery Academy, Handsworth are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the 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 2019 total resources expended were £1,909,088 and the surplus of income over expenditure was £170,100 which included depreciation of £55,068.

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 2019 of £2,215,342 which included £436,750 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 £2,893,866 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 £440,476.

In addition, the deficit on the restricted pension fund of £1,119,000 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 (A Company Limited by Guarantee)

Trustees' report for the year ended 31 August 2019 (continued)

Investment Policy

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

Principal Risks and Uncertainties

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

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

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

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

Fundraising

Under the provisions of the Charities (Protection and Social Investment) Act 2016 :

- 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. A planned programme of building to accommodate increased pupil numbers moving forward which started in February 2018 was completed in March 2019. This was funded through the Local Authority.

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

**St Mary's C of E Primary and Nursery Academy, Handsworth
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Trustees' report for the year ended 31 August 2019 (continued)

Funds Held as Custodian Trustee on Behalf of Others

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

Auditor

Insofar as the Trustees are aware :

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2019 and signed on the board's behalf by:



..... Revd Dr R 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 2019

Scope of Responsibility

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

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

Governance

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

ST MARY CE ACADEMY	FULL	FULL	FULL	FULL	FULL	Full			
Governor Name	25.09.18	11.12.18	29.01.19	26.03.19	21.05.19	9.7.19	Attended	Total	
Mr Jagtar Singh Sehjal - Parent	1	0	0	0	1	0	2	6	33%
Mrs Sharon Dooley - Parent - END OF OFFICE MARCH 19	1	1	0	1			3	4	75%
Ms Melanie Johnson - Parent	0	1	0	1	1	0	3	6	50%
Mrs Anthea Insular-Butcher - Parent	0	1	0	0	0	0	1	6	17%
Mrs Jo Booker - Head	1	1	0	1	1	1	5	6	83%
Ms Maureen Woodley - Staff	1	1	1	1	1	1	6	6	100%
Ms Rebecca Freeman - Staff	1	1	1	1	1	1	6	6	100%
Mr Dave Bagley - Community - CHAIR	1	1	1	1	1	1	6	6	100%
Ms Helena France - Community	0	1	1	0	0	0	2	6	33%
Miss Mary Edwards - Community -RESIGNED 12.18	0						0	1	0%
Mr Mike Ewins - Community	1	1	1	1	1	1	6	6	100%
Mrs Ethel Lubin - Foundation	1	1	1	0	0	0	3	6	50%
Revd Dr Robert Stephen - Foundation		1	1	0	1	0	3	5	60%
Richard Paton - Devine - Foundation	0	1	0	0	1	1	3	6	50%
VACANCY - COMMUNITY									
VACANCY - PARENT									
VACANCY - PARENT									

TOTAL- 15 IN TOTAL

8 12 7 7 9 6

1 - Attended

**St Mary's C of E Primary and Nursery Academy, Handsworth
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Governance statement for the year ended 31 August 2019 (continued)

<p>STANDARDS COMMITTEE (Minimum 4 Govs + Head or Head's Nominee) <i>Quorate = Minimum of 2 + HT or HT Nominee.</i> <i>Meet at least once a term.</i></p>	<p>Jo Booker (Head) J Sehjal E Lubin M Woodley S Dooley A Insular-Butcher M Johnson</p> <p><i>Minutes produced by the committee</i></p>
<p>FINANCE COMMITTEE (Minimum 4 Govs + Head or Head's Nominee) <i>Quorate = 3 + HT or HT Nominee.</i> Meet at least once a term.</p>	<p>M Ewins J Booker (Head) H France D Bagley R Paton-Devine</p> <p><i>Minutes produced by the committee</i></p>
<p>PAY COMMITTEE (Sub-committee of Finance & Personnel) (Minimum 3 Governors) <i>No minimum quorum – ALL must be present.</i> <i>Meet as required, but at least annually.</i></p>	<p>Members to be appointed in the Finance Committee</p> <p><i>Minutes produced by the committee</i></p>
<p>PERSONNEL COMMITTEE (Minimum 4 Govs + Head or Head's Nominee) <i>Quorate = 3 + HT or HT Nominee</i> Meet at least once a term.</p>	<p>H France Revd Dr R Stephen J Booker (Head) M Ewins</p> <p><i>E Lubin</i> R Paton-Devine</p> <p><i>Minutes produced by the committee</i></p>
<p>STAFF WELFARE COMMITTEE <i>ToR to be developed by CoG and HT</i></p>	<p>J Sehjal D Bagley Revd Dr R Stephen</p> <p><i>Minutes produced by the committee</i></p>

**St Mary's C of E Primary and Nursery Academy, Handsworth
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Governance statement for the year ended 31 August 2019 (continued)

<p>BUILDINGS, HEALTH & SAFETY (Minimum 4 Gobs + Head or Head's Nominee & BSS) <i>Quorate = Minimum of 2 + HT or HT Nominee.</i> <i>Meet at least once a term.</i></p>	<p>M Woodley J Booker (Head) J Sehjal Revd Dr R Stephen S Dooley</p> <p>C Pritchard – In attendance <i>Minutes produced by the committee</i></p>
<p>AUDIT COMMITTEE <i>Quorate = Minimum of 3</i></p>	<p>D Bagley J Booker (Head) R Paton-Devine</p> <p><i>Minutes produced by the committee</i></p>
<p>PUPIL DISCIPLINE (Formerly Exclusions) (Minimum 5 Gobs - not to include Head) <i>Quorate = Minimum of 3. Meet as required.</i></p>	<p>D Bagley E Lubin J Sehjal</p> <p><i>M Ewins</i></p>
<p>STAFF DISCIPLINARY /DISMISSAL COMMITTEES (Formerly Appeals) 1st Committee 3 governors (not employed in school) 2nd Committee 3 non-teaching governors who were not members of the 1st Committee.</p> <p><i>No minimum Quorum: ALL must be present. Meet as required.</i></p>	

The Boards work is achieved through 4 main committee meetings –

- Finance
- Personnel
- Standards
- Buildings

A review of governance was undertaken in April 2018 which rated the Governing body as level 2.

Subsequent to this the following actions were taken :

- The appointment of a new clerk
- A log kept of governor training
- Update job descriptions e.g. chair

The trust intends to conduct its next self-evaluation/external review in 2020.

**St Mary's C of E Primary and Nursery Academy, Handsworth
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Governance statement for the year ended 31 August 2019 (continued)

The **finance committee** is a sub-committee of the main board of trustees. Its purpose is to oversee all financial practices reporting to the FGB

Trustee	Meetings attended	Out of a possible
Mike Ewins Chair of finance	3	3
Dave Bagley	3	3
Richard Peyton-Devine	3	3
Jo Booker head teacher	3	3
Helena France	1	3

Review of value for money

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

The Tendering policy ensures that tenders/quotes are obtained as appropriate, to ensure value for money with all products and services over a £5,000 limit.

- New photocopier system which impacts positively on the amount of ink and paper used in printers thus providing better value for money.
- Utilities supplier changed saving money
- Cleaners in house saving on costs from third party

The purpose of the system of internal control

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

The system of internal control has been in place in St Mary's C of E Primary and Nursery Academy, Handsworth for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

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

Governance statement for the year ended 31 August 2019 (continued)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint drb Schools and Academies Services Ltd as internal auditor.

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

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

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

Review of effectiveness

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


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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 10 December 2019 and signed on its behalf by:



Revd Dr R Stephen
Chair of Trustees



Mrs J Booker
Accounting Officer

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

Statement of regularity, propriety and compliance for the year ended 31 August 2019

As accounting officer of St Mary's C of E Primary Academy I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 2018.

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 2018.

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



Mrs J Booker – Accounting Officer

10 December 2019

**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 2019**

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 10 December 2019 and signed on its 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)**

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

Opinion

We have audited the financial statements of St Mary's C of E Primary and Nursery Academy, Handsworth (the 'academy trust') for the period ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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. 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 18), 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

11 December 2019

**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 & Skills Funding Agency

In accordance with the terms of our engagement letter 6 October 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Mary's C of E Primary and Nursery Academy, Handsworth during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Mary's 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 conclusion we have formed.

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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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 :

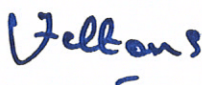
- Consideration of the applicable legislation and the academy trust's funding agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, 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 & 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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

11 December 2019

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 2019
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2018/19 £	Total 2017/18 £
Income from :							
Donations and capital grants	2	-	-	-	23,532	23,532	8,259
Charitable activities :	3						
Funding for the academy trust's educational operations		90,924	-	1,959,958	-	2,050,882	1,893,599
Other trading activities	4	4,546	-	-	-	4,546	-
Investments	5	228	-	-	-	228	161
Total		95,698	-	1,959,958	23,532	2,079,188	1,902,019
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	6	95,698	76,000	1,682,322	55,068	1,909,088	1,972,162
Total		95,698	76,000	1,682,322	55,068	1,909,088	1,972,162
Net income/(expenditure) before transfers		-	(76,000)	277,636	(31,536)	170,100	(70,143)
Transfers between funds	14	-	-	6,234	(6,234)	-	-
Net income/(expenditure) after transfers		-	(76,000)	283,870	(37,770)	170,100	(70,143)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	14, 22	-	(160,000)	-	-	(160,000)	181,000
Net movement in funds		-	(236,000)	283,870	(37,770)	10,100	110,857
Reconciliation of funds							
Total funds brought forward	14	3,726	(883,000)	152,880	2,931,636	2,205,242	2,094,385
Total funds carried forward		3,726	(1,119,000)	436,750	2,893,866	2,215,342	2,205,242

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 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	11		2,893,866		2,931,636
Current assets					
Debtors	12	68,038		61,370	
Cash at bank and in hand		<u>573,833</u>		<u>319,138</u>	
		641,871		380,508	
Liabilities					
Creditors: amounts falling due within one year	13	<u>201,395</u>		<u>223,902</u>	
Net current assets			440,476		156,606
Net assets excluding pension liability			<u>3,334,342</u>		<u>3,088,242</u>
Defined benefit pension scheme liability	22		(1,119,000)		(883,000)
Total net assets			<u><u>2,215,342</u></u>		<u><u>2,205,242</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	14	2,893,866		2,931,636	
Restricted income fund	14	436,750		152,880	
Pension reserve	14	<u>(1,119,000)</u>		<u>(883,000)</u>	
Total restricted funds			2,211,616		2,201,516
Unrestricted income funds	14		3,726		3,726
Total funds			<u><u>2,215,342</u></u>		<u><u>2,205,242</u></u>

The financial statements on pages 25 to 46 were approved by the trustees, and authorised for issue on 10 December 2019 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 2019

	Notes	2018/19 £	2017/18 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	18	248,233	195,150
Cash flows from investing activities	19	6,462	(260,635)
Change in cash and cash equivalents in the reporting period		<hr/> 254,695	<hr/> (65,485)
Cash and cash equivalents at 1 September 2018		319,138	384,623
Cash and cash equivalents at 31 August 2019	20	<hr/> 573,833	<hr/> 319,138

**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 2019

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 2018 to 2019 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 2019 (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 2019 (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
Fittings and equipment	- 25% straight line
Computer hardware	- 25% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified 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 2019 (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 operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Notes to the financial statements for the year ended 31 August 2019 (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 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 & 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2019 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Capital grants	-	-	23,532	23,532	8,259
	-	-	23,532	23,532	8,259
2018 total	-	-	8,259	8,259	

3. Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
DfE/ESFA grants					
General Annual Grant (GAG)	-	1,601,065	-	1,601,065	1,542,769
Other DfE Group grants	-	243,827	-	243,827	226,833
	-	1,844,892	-	1,844,892	1,769,602
Other government grants					
Local authority grants	-	112,611	-	112,611	91,930
Other government funding	-	2,455	-	2,455	-
	-	115,066	-	115,066	91,930
Other income from the academy trust's educational operations	90,924	-	-	90,924	32,067
	90,924	115,066	-	205,990	123,997
	90,924	1,959,958	-	2,050,882	1,893,599
2018 total	32,067	1,861,532	-	1,893,599	

4. Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	4,546	-	4,546	-
	4,546	-	4,546	-
2018 total	-	-	-	

**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 2019 (continued)

5. Investment income

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	228	-	228	161
2018 total	<u>161</u>	<u>-</u>	<u>161</u>	

6. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	2018/19 Total £	2017/18 Total £
Academy's educational operations					
Direct costs	1,111,096	27,083	192,498	1,330,677	1,362,464
Allocated support costs	319,242	125,543	133,626	578,411	609,698
	<u>1,430,338</u>	<u>152,626</u>	<u>326,124</u>	<u>1,909,088</u>	<u>1,972,162</u>
2018 total	<u>1,446,552</u>	<u>192,993</u>	<u>332,617</u>	<u>1,972,162</u>	

Net income/(expenditure) for the period includes :

		2018/19 £	2017/18 £
Operating leases	- plant and machinery	2,064	2,064
Depreciation		55,068	58,490
Fees payable to auditor	- audit	8,250	8,000
	- other services	<u>-</u>	<u>2,800</u>

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	2018/19 Total £	2017/18 Total £
Educational operations					
Direct costs	13,671	-	1,317,006	1,330,677	1,362,464
Support costs	82,027	76,000	420,384	578,411	609,698
	<u>95,698</u>	<u>76,000</u>	<u>1,737,390</u>	<u>1,909,088</u>	<u>1,972,162</u>
2018 total	<u>31,719</u>	<u>95,000</u>	<u>1,845,443</u>	<u>1,972,162</u>	
Analysis of support costs					
Support staff costs	-	76,000	243,242	319,242	303,605
Depreciation	-	-	27,985	27,985	29,695
Premises costs	-	-	88,845	88,845	121,028
Other support costs	82,027	-	50,002	132,029	142,960
Governance costs	-	-	10,310	10,310	12,410
Total support costs	<u>82,027</u>	<u>76,000</u>	<u>420,384</u>	<u>578,411</u>	<u>609,698</u>
2018 total	<u>22,740</u>	<u>95,000</u>	<u>491,958</u>	<u>609,698</u>	

8. Staff

a) Staff costs

Staff costs during the period were:

	2018/19 £	2017/18 £
Wages and salaries	957,090	955,847
Social security costs	83,229	85,081
Pension costs	268,545	275,581
	<u>1,308,864</u>	<u>1,316,509</u>
Agency staff costs	121,474	130,043
	<u>1,430,338</u>	<u>1,446,552</u>

b) Staff numbers

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

	2018/19 Number	2017/18 Number
Teachers	12	10
Administration and support	44	48
Management	5	7
	<u>61</u>	<u>65</u>

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

8. Staff (continued)

c) Higher paid staff

	2018/19 Number	2017/18 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	1	-

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 £273,060 (2018: £329,990).

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, appointed 1/1/18)	
Remuneration	£60,000 - £65,000 (2018 : £35,000 - £40,000)
Employer's pension contributions paid	£10,000 - £15,000 (2018 : £5,000 - £10,000)
Ms M Woodley (staff trustee)	
Remuneration	£45,000 - £50,000 (2018 : £45,000 - £50,000)
Employer's pension contributions paid	£5,000 - £10,000 (2018 : £5,000 - £10,000)
Mrs R Freeman (staff trustee)	
Remuneration	£35,000 - £40,000 (2018 : £35,000 - £40,000)
Employer's pension contributions paid	£5,000 - £10,000 (2018 : £5,000 - £10,000)
Mrs A Sturridge-Packer (principal and trustee, resigned 31/12/17)	
Remuneration	£nil (2018 : £15,000 - £20,000)
Employer's pension contributions paid	£nil (2018 : £0 - £5,000)

There were no travel and subsistence expenses paid to any trustee of St Mary's C of E Primary and Nursery Academy, Handsworth during the current or previous year. Any other related party transactions involving the trustees are set out in note 23.

**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 2019 (continued)

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 and the cost for the year ended 31 August 2019 was £134 (2018 : £129). The cost of this insurance is included in the total insurance cost.

11. Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2018	3,118,060	46,192	37,737	3,201,989
Additions	-	13,538	3,760	17,298
At 31 August 2019	<u>3,118,060</u>	<u>59,730</u>	<u>41,497</u>	<u>3,219,287</u>
Depreciation				
At 1 September 2018	209,662	23,544	37,147	270,353
Charge for the year	40,162	13,375	1,531	55,068
At 31 August 2019	<u>249,824</u>	<u>36,919</u>	<u>38,678</u>	<u>325,421</u>
Net book values				
At 31 August 2019	<u>2,868,236</u>	<u>22,811</u>	<u>2,819</u>	<u>2,893,866</u>
At 31 August 2018	<u>2,908,398</u>	<u>22,648</u>	<u>590</u>	<u>2,931,636</u>

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

Cost or valuation at 31 August 2019 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	59,730	41,497	527,627
	<u>3,118,060</u>	<u>59,730</u>	<u>41,497</u>	<u>3,219,287</u>

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

12. Debtors

	2019	2018
	£	£
VAT recoverable	8,280	8,838
Prepayments and accrued income	59,758	52,532
	<u>68,038</u>	<u>61,370</u>

13. Creditors

	2019	2018
	£	£
Amounts falling due within one year :		
Creditors from operations	486	-
Accruals and deferred income	93,551	107,061
Other creditors	107,358	116,841
	<u>201,395</u>	<u>223,902</u>
Deferred income		
Deferred income at 1 September 2018	32,885	33,649
Resources deferred in the year	32,439	32,885
Amounts released from previous years	(32,885)	(33,649)
Deferred income at 31 August 2019	<u>32,439</u>	<u>32,885</u>

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

14. Funds

	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
	<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>(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	3,726	95,698	(95,698)	-	3,726
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>

**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 2019 (continued)

14. Funds (continued)

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 & 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 2019.

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 & Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

Comparative information in respect of the preceding period

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

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

15. Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	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>

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	-	-	-	2,931,636	2,931,636
Current assets	3,726	-	376,782	-	380,508
Current liabilities	-	-	(223,902)	-	(223,902)
	<u>3,726</u>	<u>-</u>	<u>152,880</u>	<u>2,931,636</u>	<u>3,088,242</u>
Pension scheme liability	-	(883,000)	-	-	(883,000)
Total net assets	<u>3,726</u>	<u>(883,000)</u>	<u>152,880</u>	<u>2,931,636</u>	<u>2,205,242</u>

16. Capital commitments

	2019 £	2018 £
Contracted for but not provided in the financial statements	-	-

17. Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	Total 2019 £	Other Total 2018 £
Amounts due within one year	343	2,064
Amounts due between one and five years	-	343
	<u>343</u>	<u>2,407</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 2019 (continued)

18. Reconciliation of net income/(expenditure) to net cash flow from operating activities	2018/19	2017/18
	Total	Total
	£	£
Net income/(expenditure) for reporting period (as per the SoFA)	170,100	(70,143)
Adjusted for :		
Depreciation (note 11)	55,068	58,490
Capital grants from DfE and other capital income	(23,532)	(8,259)
Interest receivable (note 5)	(228)	(161)
Defined benefit pension scheme cost less contributions payable (note 22)	54,000	71,000
Defined benefit pension scheme finance cost/(income) (note 22)	22,000	24,000
Decrease / (increase) in debtors	(6,668)	220,853
Increase / (decrease) in creditors	(22,507)	(100,630)
Net cash provided by / (used in) operating activities	<u>248,233</u>	<u>195,150</u>

19. Cash flows from investing activities	2018/19	2017/18
	Total	Total
	£	£
Interest received	228	161
Purchase of tangible fixed assets	(17,298)	(269,055)
Capital grants from DfE Group	23,532	8,259
Net cash provided by / (used in) investing activities	<u>6,462</u>	<u>(260,635)</u>

20. Analysis of cash and cash equivalents	At	At
	31 August	31 August
	2019	2018
	£	£
Cash at bank and in hand	<u>573,833</u>	<u>319,138</u>
	<u>573,833</u>	<u>319,138</u>

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 Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

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

**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 2019 (continued)

22. Pension and similar obligations (continued)

Contributions amounting to £19,256 (2018 : £17,632) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £75,585 (2018 : £79,018).

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 2019 (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 2019 was £140,000 (2018 : £109,000), of which employer's contributions totalled £117,000 (2018 : £87,000) and employees' contributions totalled £23,000 (2018 : £22,000). The agreed contribution rates for future years are 20.9% for employers and between 5.5% and 6.5% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 22 years.

Principal actuarial assumptions

	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.70%	3.80%
Rate of increase for pensions in payment / inflation	2.20%	2.30%
Discount rate for scheme liabilities	1.85%	2.65%
Inflation assumption (CPI)	2.20%	2.30%
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	2,369	2,319	2,414	2,456
Projected service cost	167	163	171	173
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	2,369	2,420	2,325	2,285
Projected service cost	167	171	163	161

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 2019	At 31 August 2018
Retiring today		
Males	20.9	21.9
Females	23.2	24.4
Retiring in 20 years		
Males	22.6	24.1
Females	25.1	26.7

**St Mary's C of E Primary and Nursery Academy, Handsworth
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Notes to the financial statements for the year ended 31 August 2019 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	31 August 2019	31 August 2018
	£	£
Equities	752,000	674,000
Government bonds	118,000	76,000
Other bonds	47,000	39,000
Property	102,000	86,000
Cash/liquidity	45,000	40,000
Other	186,000	148,000
Total market value of assets	<u>1,250,000</u>	<u>1,063,000</u>

The actual return on scheme assets was £75,000 (2018 : £11,000).

	2018/19	2017/18
	£	£
Amount recognised in the statement of financial activities		
Current service cost	170,000	158,000
Net interest cost	22,000	24,000
Administration expenses	1,000	-
Total amount recognised in the SoFA	<u>193,000</u>	<u>182,000</u>

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

	2018/19	2017/18
	£	£
At 1 September 2018	1,946,000	1,912,000
Current service cost	148,000	158,000
Interest cost	52,000	50,000
Employee contributions	23,000	22,000
Change in demographic assumptions	(120,000)	-
Benefits paid	(27,000)	-
Change in financial assumptions	325,000	(196,000)
Past service cost, including curtailments	22,000	-
At 31 August 2019	<u>2,369,000</u>	<u>1,946,000</u>

**St Mary's C of E Primary and Nursery Academy, Handsworth
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Notes to the financial statements for the year ended 31 August 2019 (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 :

	2018/19	2017/18
	£	£
At 1 September 2018	1,063,000	943,000
Interest income	30,000	26,000
Employer contributions	117,000	87,000
Employee contributions	23,000	22,000
Benefits paid	(27,000)	-
Administration expenses	(1,000)	-
Return on assets less interest	45,000	(15,000)
At 31 August 2019	1,250,000	1,063,000
Net pension scheme liability	(1,119,000)	(883,000)

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 AFH, including notifying 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	2019	2018
	£	£
Services provided to the academy during the year	13,595	19,347

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.

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 2019 (continued)

24. Teaching school trading account

	2018/19 £	2018/19 £	2017/18 £	2017/18 £
Income		-		-
Expenditure		-		-
Surplus/(deficit) from all sources		-		-
Teaching school balances at 1 September 2018		-		(1,837)
Transfer to restricted general funds		-		1,837
Teaching school balances at 31 August 2019		<u>-</u>		<u>-</u>