

Company Registration No. 9258843 (England and Wales)

**ST MARY'S CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNORS' STRATEGIC REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016**

ST MARY'S CATHOLIC PRIMARY SCHOOL

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ST MARY'S CATHOLIC PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Governors	C Baxter M Beechinor-Collins H Blake-James (Appointed 11 May 2016) Reverend Father T R Brennan B Flannery (Appointed 11 October 2016) C Foster J Hayes (Chair of Governors from 27 September 2016) E Jones (Chair of Governors to 27 September 2016) R Lambeth S Lawlor (Resigned 20 July 2016) Reverend Canon J Madden (Resigned 2 September 2015) M Marston (Appointed 7 October 2015) Sr. E O'Neill A Thornton I Vassallo (Accounting officer)
Members	J Hayes Reverend Monsignor M J Dickens, Vicar General Sr E O'Neill, Handmaids of the Sacred Heart of Jesus
Senior leadership team	I Vassallo - Headteacher S Durand - Deputy Headteacher C Mangan - Assistant Headteacher K Bailey - Chief Financial Officer
Company secretary	K Bailey
Company registration number	9258843 (England and Wales)
Registered office	St Mary's Catholic Primary School Westgate Road Beckenham BR3 5DE
Independent auditor	Wilkins Kennedy LLP Greytown House 221-227 High Street Orpington BR6 ONZ
Bankers	Lloyds Bank Plc 6-8 Market Square Bromley Kent BR1 1NA

ST MARY'S CATHOLIC PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Stone King LLP
Boundary House
97 Chaterhouse Street
London
EC1M 6HR

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. 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 4 to 11 servicing a catchment area in accordance with the academy's admissions policy as detailed on its website. It has a pupil capacity of 435 and had a roll of 421 registered on 31 August 2016.

Please note that in the following the term "school" and "academy" is used in context interchangeably and relates to the operation and activity of St Mary's Catholic Primary School.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee without share capital (registration no.09258843) and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Governors act as the Trustees for the charitable activities of St Mary's Catholic Primary School and they are also Directors of the charitable company for the purposes of company law. The charitable company is known as St Mary's Catholic Primary School.

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

St Mary's Catholic Primary School was incorporated on 10 October 2014 and obtained Academy status from 1 November 2014.

Members' liability

The liability of the Members of the Academy Trust is limited.

Every Member of the Academy Trust undertakes to contribute such amount as may be required (not exceeding £10) to the Academy Trust's assets if it should be wound up while he or she is a member or within one year after he or she ceases to be a member, for payment of the Academy Trust's debts and liabilities before he or she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

In accordance with the Articles of Association, subject to the provisions of the Companies Act 2006 every Governor or other officer or auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him or her in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he/she is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust. The academy recognises this risk and mitigates this by sufficient insurance cover.

Principal activities

The principal activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular managing and developing a Catholic academy for children aged 4 to 11 which offers a broad and balanced curriculum and is conducted in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education. A copy of this document is found on the school's website.

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Method of recruitment and appointment or election of governors

The number of Governors shall be not less than 3, but shall not be subject to a maximum. The first Governors were those named in the initial Memorandum. The Academy Trust shall have the following Governors: 8 foundation Governors appointed under Article 50; no less than two Staff Governors appointed under Article 50A; up to 1 Local Governor appointed under Article 51; no less than two Parent Governors elected or appointed under Articles 53-58; the Headteacher. The Academy may also have up to 2 Co-opted Governors appointed under Article 59 provided that if any such Governors are appointed the number of Foundation Governors permitted by Articles 46 and 50 shall increase proportionately to ensure that the number of Foundation Governors always exceeds the total number of other Governors by at least two.

Each of the persons entitled to appoint members shall have the right, from time to time by written notice delivered to the Registered Office, to remove any Member appointed by them and to appoint a replacement member to fill a vacancy whether resulting from such removal or otherwise.

The maximum term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Head Teacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected for up to three terms in total.

Members

The members of the Academy Trust shall comprise: the signatories to the Memorandum; 3 ex officio members being the Vicar General, 1 person nominated by the Handmaids of the Sacred Heart of Jesus and the Chair of Governors; any further persons appointed by the Archbishop and any person appointed under Article 16.

Policies and procedures adopted for the induction and training of governors

The training and induction provided for new Governors will depend on their existing experience. All new Governors will be given a tour of the school and the chance to meet with staff, children and other governors. All relevant governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. As there are normally only one or two new governors each period, induction tends to be done informally and is tailored specifically to the individual. In keeping with the academy's commitment to the safeguarding and wellbeing of the children and adults, safeguarding training is made available to all governors.

The Governing Body regularly undertakes a review of its scope, range and level of skills amongst the governors. Skills audits are undertaken annually. The results are discussed in depth at a regular meeting of the Governing Body. This ensures any deficiencies are addressed and all appropriate skills and strengths are allocated to supporting the relevant area in the academy.

Organisational structure

The academy's structure consists of three levels: the Governors, Senior Leadership Team and Middle Leaders (including Subject Leaders). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the school by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. The governors have approved a scheme of financial delegation that allows budgetary responsibility to be delegated to the Headteacher.

The Senior Leadership Team consists of the Headteacher, Deputy Headteacher and Assistant Headteacher. These leaders control the Academy at an executive level implementing the policies laid down by the governors and reporting back to them. As a group, the Senior Leadership Team is responsible for the authorisation of spending within agreed budgets and the appointment of staff: appointment boards for middle and senior leader posts will contain at least one governor.

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Arrangements for setting pay and remuneration of key management personnel

Remuneration for key management personnel is based on the school's staff pay policy which for members of the teaching staff is set currently in accordance with the School Teachers' Pay and Conditions (STPC) and for members of the support team in accordance with the National Joint Council.

The Headteacher's pay and conditions are determined in accordance with the latest STPC which includes the necessary benchmarking for an academy such as St Mary's. The Headteacher's pay and performance are reviewed annually by the Chair and members of the governing body.

All managers and key personnel are rigorously performance managed annually taking into consideration job evaluation and past performance. Consequently, each manager's salary is paid in accordance with proven skills and performance.

Related parties and other connected charities and organisations

The school is a founding member of the Bromley Catholic Schools Trust. This is an umbrella trust and its aims are to facilitate collaboration and cooperation between the academies with a particular emphasis on improving standards so that the member schools might better serve their communities and promote the common good. It consists of eight primary academies operating predominantly though not exclusively in the London Borough of Bromley.

The Chair of Governors and the Headteacher of the academy sit on the board of the umbrella trust as directors.

In accordance with the Articles of Association of the umbrella trust, the post of Chair of the Bromley Catholic Schools Trust revolves amongst the directors of the schools. This post was held by St James's Roman Catholic Primary School on 31st August 2016.

The activities of the academies and the umbrella trust shall be in accordance with the principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto having regard to any advice given by the officers appointed by the Archbishop and being responsible for the Catholic schools in the Archdiocese of Southwark (charity number 0235468). This latter mentioned body is known as the Education Commission in the Catholic Archdiocese of Southwark. The Director of Education is Dr Anne Bamford and the Deputy Director is Mr Stephen Bryan. Under the direction of the Archbishop the umbrella trust will assist in establishing, sponsoring, maintaining, carrying on, managing and developing Catholic schools in Bromley.

The school has entered into an agreement between itself, the Secretary of State for Education and the academy's trustees, the Handmaids of the Sacred Heart (Charity number 221319) and the Roman Catholic Archdiocese of Southwark for the use of the land and buildings on which the school stands.

The school is the beneficiary of the activities of St Mary's Catholic Primary School (Beckenham) Voluntary Fund (Charity number 1144157). The remit of this charity is to advance the education of the children at the school by providing and assisting in the provision of facilities (not required to be provided by the Local Education Authority) for education at the school.

The school is also the beneficiary of the activities of the St Mary's Parents and Teachers Association (Charity number 312476). This body raises funds to support the activities of the school by providing for funding for higher value items of educational equipment, furniture, fixture and fittings as well as enhancing the educational provision in the school.

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives and activities

Objects and aims

St Mary's Catholic Primary School opened as an Academy on 1 November 2014.

The governors, staff and parents of the school share high aspirations for all children. Our aim is to provide an education where each child is enabled to realise his/her potential academically, physically, morally, socially and spiritually. It is the responsibility of all staff, parents and governors, in collaboration with the local Catholic parishes of St Edmund's, Beckenham, St Mark's, West Wickham and The Holy Rosary Church, Hayes to assist children on their faith journeys, deepening their understanding of the beliefs and traditions of the Catholic church.

Objectives, strategies and activities

The main activities of the Academy during the period ended 31 August 2016 are summarised below: -

- to pass on Church teaching and to encourage a development of faith at each individual's level;
- to ensure that every child enjoys the same high quality education in terms of resourcing, teaching and care;
- to raise the standard of educational achievement of all children, ensuring every child reaches his or her full potential and makes the best progress possible;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to ensure that the school is suitably staffed;
- to comply with all appropriate statutory and curriculum requirements;
- to ensure teaching and learning is of the highest standard;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness;
- to develop and maintain links with local Catholic parishes, the Bromley Catholic Schools Trust and its constituent members, the Archdiocese of Southwark and the wider community including working with other educational establishments.

St Mary's Catholic Primary School values diversity and seeks to give everyone in the school an equal chance to learn, work and live, free from the action, or fear, of racism, discrimination, or prejudice. By our actions we will work together to develop the potential of all children academically, socially, culturally and psychologically and to establish a community that is just and fair for all people who work at, learn in or visit St Mary's Catholic Primary School.

Our aim is for children to be happy and healthy, enthused by the intellectual, social and physical challenges posed by their experience at the school. They will be independent learners, aware of how to learn and of the role of emotions and dispositions in the learning process, which they draw on to address challenge and difficulty, as well as success.

All staff will have the opportunity to develop further as self-directed, reflective learners, through working collaboratively with others to enhance their own expertise. Through their passion, teachers will enthuse and inspire others to explore new ideas.

Parents will fulfil their roles as true partners, recognising their role in the student -school - parent partnership to ensure that their child realises his/her potential.

Governors will contribute to the life of the school on a wider scale, acting as critical friends to support the school in becoming a recognised centre of excellence.

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Public benefit

The Governors confirm that they have had due regard to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the Academy's aims and objectives and in exercising their powers or duties when planning future activities. In particular, the governors consider how planned activities will contribute to the aims and objectives they have set.

As a Catholic academy, we aim to provide a Catholic education for all our children where the Catholic doctrine and practice permeates every aspect of the school's activity.

The academy exists primarily to serve Catholic families who regularly worship at the parishes of St Edmund's Beckenham; St Mark's West Wickham and The Holy Rosary Hayes. Subject to the availability of places, the Governing Body welcomes applications from Catholic families from other parishes as well as those of other denominations and faiths who support the religious ethos of the school.

The Governing Body has responsibility for admissions to this academy and, having consulted with the Archdiocese, the local authority and other admission authorities, intends to admit 60 children to Reception in each new school year. Additional children can be admitted to Year 3 and above (places permitting) to bring the number of children to a maximum of 64 in each year group.

Children are admitted to the school without reference to ability or aptitude.

Full details of the school's admissions policy can be found on its website (<http://www.st-marys-catholic.bromley.sch.uk/Policies>).

Strategic report

Achievements and performance

St Mary's is a two-form entry Catholic Primary School, with a 100% Catholic intake and this underpins the entire ethos of the school. The school has very close links with the three feeder Catholic parishes and the Religious Order which founded the school. There are currently 421 pupils on roll in 14 classes. Pupils come from a variety of different backgrounds. The true diversity, especially representing those from more disadvantaged backgrounds, is not necessarily reflected in the level of children eligible for Free School Meals which is low. There has been a considerable increase in recent years of pupils from minority ethnic backgrounds and the percentage of pupils for whom English is an additional language has also increased significantly, particularly with pupils joining the school from Eastern Europe and Latin America. Although the proportion of pupils with funded SEN is below the national average, the proportion with significant need is well above and is reflected in outcomes. The staffing complement has been very stable in recent years, with the headteacher having been in place for 12 years. The school has a number of productive partnerships and converted to Academy status in November 2014, joining a newly-formed Umbrella Trust with the other Bromley Catholic primary schools.

The school was judged good in all areas in its last Ofsted inspection in December 2013 with outstanding leadership of the Early Years Foundation Stage (EYFS). The key issues were to improve consistency in the quality of teaching and the progress of the more disadvantaged pupils. The school's Section 48 inspection (March 2014) graded the school as outstanding. The external consultant appointed by the Trust to monitor schools has found the school to be on the cusp of good/outstanding.

Attainment on entry is broadly in line with national expectations. By the end of KS1 and KS2 attainment has consistently been significantly above the national average, suggesting very strong progress from initial starting points. The school's 2015 transition matrices for the 2014-15 Year 6 cohort show the proportion of pupils meeting and exceeding national expectations for progress to be high in English with progress in reading and writing outstanding. The school's internal tracking data for 2015/2016 shows progress across the year groups in moving towards and exceeding national expectations to be rapid.

Attainment at the higher levels is strong at KS1 and KS2. The proportion of Level 5+ attainment was above the national average for 2013 to 2015 and attainment at Level 6 was also above the national average. The 2015 school transition matrices show the more able to have made excellent progress in reading and writing. Provisional data for 2016 again points to strong attainment at the higher levels.

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Attainment at KS1 has been significantly above the national average in recent years, with a broad trend of improvement. Progress at KS1 in 2015-16 was excellent overall. An analysis of EYFS outcomes compared with KS1 attainment shows significant progress in reading, writing and maths with progress by average and above pupils particularly strong.

Attainment in the phonics screening check has been well above the national average since it began. In 2014 94% of pupils achieved the expected standard compared with the 2013 national average of 74%. In 2015, 83% pupils achieved the expected standard; also well above the national average. In 2016, 90% met the standard compared with the national figure of 81%. This high level of attainment reflects the outstanding phonics teaching in the EYFS and Year 1.

The progress of pupils with SEN throughout the school is very strong, though slightly below that of their peers because a few have some severe cognitive difficulties. Work scrutinies confirm that pupils with SEN are accessing activities in lessons and making very good progress. A range of interventions are provided for pupils with SEN and these have been very effective in improving progress.

Pupils are exceptionally well prepared for secondary education. Attainment at L4b and L5+ was significantly above the national average in all areas in 2015. In 2016, the percentage of pupils meeting the expected standard was well above the national average. Lesson observations highlight pupils' excellent learning skills and application. They have a high level of self-motivation and self-discipline and are ready to take the next steps in learning. As well as achieving very well in English and mathematics, pupils also reach a sophisticated level in ICT, again reflecting skilful teaching and planning, reinforced by regular homework.

Key performance indicators

The school's aim is to deliver outstanding teaching and learning throughout the school. Our aim is to ensure that the quality of leadership and management, teaching, behaviour and outcomes for children consistently meet the criteria of outstanding as measured by Ofsted.

To achieve these aims the Headteacher and Senior Leadership Team (SLT) rigorously monitor performance against its Self Evaluation Form (SEF). With the assistance of governors in their roles as critical friends, the SLT consistently and continuously re-evaluates all children's learning and wellbeing, ensuring the highest possible standards are achieved.

The school has very high expectations for children's attendance and rates have been at 97.4% for a three-year period, with very few incidents of persistent absenteeism.

Key financial performance indicators

The governors have determined that the following parameters will be applied in relation to the school's financial performance: -

- the school will seek to maintain a 3 and 5 year balanced budget;
- Maintain adequate staffing levels to meet requirements of the timetable;
- Maintain staffing levels to ensure the needs of children with special educational needs (SEN) are met;
- Maintain a 3 and 5 year budget to include the priorities as set in the Strategic Plan and the School Development Plan;
- Continuing successful initiatives to enable increased student achievement.

Going concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of governors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2016, total expenditure of £1,912k (2015: £1,418k) was met by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and transfers to restricted fixed asset funds) was £150k (2015: £93k expenditure over income).

At 31 August 2016 the net book value of fixed assets was £4,329k (2015: £4,386k). Movements in tangible fixed assets are shown in note 10 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Local Government Pensions Scheme, in which the Academy participates, showed a deficit of £595k (2015: £364k) at 31 August 2016.

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of unrestricted reserves should be equivalent to four weeks' expenditure, approximately £150k (2015: £110k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent repairs and maintenance. The academy's current level of unrestricted reserves is £142k (2015: £115k) (total funds less the amount held in fixed assets and restricted funds).

The academy's current level of restricted funds is £3,921k (2015: £4,099k), made up of fixed asset funds £4,329k (2015: £4,386k), General Annual Grant (GAG) funds £187k (2015: £77k) and the pension deficit of £595k (2015: £364k).

Using three and five year budget projections and with due regard to the condition of the building and its infrastructure, with the governors approval, the school has built up reserves of £329k (2015: £192k) beyond the guidelines indicated in the reserves policy. These reserves are made up of unrestricted funds £142k (2015: £115k) and restricted (GAG) funds of £187k (2015: £77k). There are three reasons for this: 1) notwithstanding the possibilities of funding being accessed by bids and grants, to address and support several significant building improvement and repair projects amongst which include replacement of the academy's heating system; 2) to increase learning support for the children through increased resources particularly staffing; 3) to meet the challenges of changing local demographics. Projections show that within 2 years the level of reserves will fall back to the policy levels.

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The governors are formalising plans to use the balance of the reserves above this amount to renew the heating system replacing the boilers, the pipework, the pumps and radiators. There will be an additional benefit of more efficient and greener energy consumption. Additionally, the Governors are planning to replace faulty and defective windows and to install air conditioning in certain classrooms.

It is anticipated that this expenditure from the reserves will bring the level down to those anticipated within the reserves policy. The governors look to manage its balances in a prudent manner giving due consideration to both the educational needs of the children as well as ensuring their well-being, and the staff's, in the school buildings and on the site.

The Academy held fund balances at 31 August 2016 of £4,063k (2015: £4,214k) comprising £3,921k (2015: £4,099k) of restricted funds and £142k (2015: £115k) of unrestricted general funds. Of the restricted funds, £4,329k (2015: £4,386k) is represented by tangible fixed assets and £187k (2015: £77k) related to unspent grants.

The Pension reserve which is considered part of restricted funds was £595k (2015: £364k) in deficit.

Investment policy and powers

Under the Memorandum and Articles of Association, the academy has the power to invest funds not immediately required for its own purposes, in any way the Governors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

Principal risks and uncertainties

Using the academy's Risk Register, the Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the following operations: -

- Teaching and learning;
- Provision of facilities in other operational areas
- Financial
- Extraneous, external factors.

The Governors have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, safeguarding, bullying and school trips) and in relation to the control of finance (e.g. to mitigate risks of insufficient funding, fire or damage, improper use of funds, acting outside of the charitable objects of the charity). The Governors have introduced routines, including operational procedures and internal financial controls, in order to minimise risk. These are checked by the academy's auditors.

Where significant financial risk remains they have ensured they have adequate insurance cover. The school has an effective system of internal financial controls and this is explained in more detail in the Governance Statement. Some significant risks such as public and employee liability are covered by the academy's insurance policy. Governors have directed the creation of a formal risk register that will be reviewed at least annually and managed operationally by the Headteacher and the Business Manager.

The Governors recognise that there can be significant risks revolving around Health & Safety, technical failure, external factors and socio-economic challenges. These are mitigated either by effective policies or insurance. However, the governors remain particularly vigilant towards risks to the financial stability of the academy caused either by technical failure or changes in government funding policies as well as those risks to the safety of the children, staff and others on the premises and in the buildings.

The Governors attitude to risk depends on the type of risk. It is not the Governors approach to eliminate all risk as this would be an inefficient use of resources. Where the children and their safety and safeguarding are concerned the Governors' attitude is uncompromising: not only will the children be safe, they will be seen to be safe and they will think themselves safe.

The principal risks and uncertainties that St Mary's Catholic Primary School faces are mitigated by the risk management process that the academy trust has in place.

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial and risk management objectives and policies

The main financial risk to which St Mary's Catholic Primary School is exposed, taking account of the mitigations in place, relates to the risk of any future income reduction. This would be due to the possibility of future government spending reductions affecting the academy's general grant or the failure of the academy to maintain sufficient levels of admissions, reducing available funding. The school monitors such risks by compiling various budget scenarios to identify appropriate indicators showing increased risk.

A risk exists in relation to the defined benefit pension scheme, the Local Government Pension Scheme which currently shows a deficit of £595k (2015: £364k). The risk is assessed annually by the appointed actuary, Mercer Limited, reviewed by the Governing Body and recorded appropriately in the financial statements. In mitigation of this risk, the Governing Body can show it has acted on the advice of the actuary to make suitable adjustments to its contribution level to address the risk.

Furthermore on 18 July 2013 Parliament agreed at the request of the Secretary of State for Education, to guarantee that, in the event of closure, outstanding LGPS liabilities would be met by the DfE.

Plans for future periods

The school will continue striving to improve the levels of performance of its children at all levels and will continue its efforts to ensure the children are ready, willing and able to meet the challenges of the next stage of their education and development.

The school has a good understanding of its strengths and areas for development based on rigorous analysis of data and monitoring of teaching and learning. The school also makes good use of external validation to secure its judgement on the quality of provision and subsequent outcomes. The School Improvement Plan (SIP) has specific areas identified for improvement and is based on regular analysis of data which is meticulously analysed by the Headteacher and the Deputy Headteacher (who is also the assessment leader), supported by the Assistant Headteacher.

The SIP is regularly monitored and is reviewed termly by the SLT and governors. It is underpinned by appropriate budget links. School Improvement strategies have an impact as the emphasis is sharply focused on Teaching and Learning and on pupil progress. These focus on rigorous monitoring, high quality CPD and thorough analysis of test and Teacher Assessment data. Formative assessment is part of daily pedagogical practice and feeds into half termly summative assessment. The school makes good provision for personalised learning and intervention programmes and has developed a rich, creative curriculum which includes and stretches children across the ability range.

The school will continue to maintain and, where possible, develop the site to the benefit of the community as a whole. In keeping with the aims above regarding financial performance the school will aim to maintain adequate staffing levels to meet the requirements of all of the children in its care.


The school will seek other streams of income in support of all its aims and objectives.

Auditor

In so far as the governors are aware:

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

The governors' report, incorporating a strategic report, was approved by order of the board of governors, as the company directors, on 22/11/2016 and signed on its behalf by:


J Hayes

Chair of Governors from 27 September 2016

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

As governors we acknowledge we have overall responsibility for ensuring that St Mary's Catholic Primary School 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.

We are also responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the academy and enable us to ensure that the financial statements comply with the requirements of the Companies Act and Academies Accounts Direction. We also acknowledge responsibility for safeguarding the assets of St Mary's Catholic Primary School and hence take reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- St Mary's Catholic Primary School is operating effectively and efficiently;
- The assets of the school are safeguarded against unauthorised use or disposition;
- Proper records are maintained and financial information used within the school or for publication is reliable; and
- The school complies with relevant laws and regulations.

The board of governors has delegated the day-to-day responsibility to the Headteacher, 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 Catholic Primary School and the Secretary of State for Education. She is also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

To deliver assurance the governors have established a programme of risk review and checking of financial controls by the performance of a supplementary programme of work by the school's external auditor. Reports are submitted to the Resources and Audit Committee for consideration and review and for submission to the full governing body. These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected in a timely period.

Governance

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

Governors	Meetings attended	Out of possible
C Baxter	3	4
M Beechinor-Collins	4	4
H Blake-James (Appointed 11 May 2016)	3	3
Reverend Father T R Brennan	2	4
B Flannery (Appointed 11 October 2016)	0	0
C Foster	4	4
J Hayes (Chair of Governors from 27 September 2016)	4	4
E Jones (Chair of Governors to 27 September 2016)	4	4
R Lambeth	3	4
S Lawlor (Resigned 20 July 2016)	3	4
Reverend Canon J Madden (Resigned 2 September 2015)	0	0
M Marston (Appointed 7 October 2015)	4	4
Sr. E O'Neill	2	4
A Thornton	4	4
I Vassallo (Accounting officer)	4	4

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Resources and Audit Committee is to have oversight of the following elements of the school's operation: finance, premises and property, and audit. The committee assists in the decision making of the Governing Body by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the school's finances and resources. It oversees the annual budget, reporting regularly to the full Governing Body, by monitoring income and expenditure, agreeing limits of expenditure delegation, reviewing and monitoring all policies under the scope of the committee, as delegated by the Governing Body, ensuring compliance with the Procurement and Tendering Policy, Best Value Statement and Academies Financial Handbook and by ensuring that financial control systems are robust. Additionally, the committee monitors, evaluates and reviews the school's policy and practice in relation to premises and property. Finally, within its extended remit the committee is responsible for audit, in particular: governance, risk management and internal control. The Audit committee has its own membership rules which are listed in the Terms of Reference for the Resources and Audit Committee as approved by the Governing Body. The committee's work focuses on providing assurances to the Governing Body that risks are being adequately identified and managed by reviewing the reports and taking advice from the external auditors and by agreeing a programme of work to address and provide assurance on those risks.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Reverend Father T R Brennan	2	6
B Flannery (Appointed 11 October 2016)	0	0
J Hayes (Chair of Governors from 27 September 2016)	6	6
R Lambeth	6	6
S Lawlor (Resigned 20 July 2016)	3	5
M Marston (Appointed 7 October 2015)	5	5
A Thornton	5	5
I Vassallo (Accounting officer)	6	6

Review of value for money

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

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year.

IMPROVING EDUCATIONAL OUTCOMES

The Governors and senior members of staff have ensured that resources are directed to where they are most needed and most effective in meeting diverse educational requirements of the children.

Our varied curriculum ensures all children have the opportunity to raise their individual levels of attainment and to make progress.

We rightly focus on the individual needs of each individual pupil and this is reflected in the continued high standards performance of our children which have always been above the national average at the end of each Key Stage.

The Governors and senior members of staff ensure that resources are targeted in line with the School Improvement Plan's priorities and are reviewed regularly to ensure there is an impact on children's progress and attainment.

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Assessment, tracking and monitoring processes are continually being reviewed and developed to ensure data is used to inform planning, target interventions and support differentiation. Regular internal and Senior Leadership Team meetings review progress and impact of interventions for different groups of children, supported by more focused and robust termly Pupil Progress Meetings.

The Governors and senior members of staff deploy staff to provide best value in terms of quality teaching, quality of learning, adult pupil ratio and curriculum management. Governors therefore employ additional specialist staff in the curriculum areas of PE, Music, Art and Modern Foreign Languages to ensure high quality subject delivery.

The Governors employ additional Teaching Assistants to effectively support class teachers delivering enhanced teaching and to implement intervention programmes and Booster classes.

The staffing structure is regularly reviewed by observation and performance management to ensure effective teaching practices and quality first teaching.

For those children who attract Pupil Premium funding and at risk of underachieving, we implement a variety of intervention programmes on a one to one basis or in small groups.

Funding is allocated to optimal effect as indicated by the detailed breakdown on the school website.

Universal Free School meals have been successfully implemented for all our Reception and Key Stage One children to provide nutritional meals daily.

Use of Premises:

The Governors and senior members of staff consider the allocation the use and allocation of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services and for communal access to central resources.

FINANCIAL GOVERNANCE AND OVERSIGHT

Financial governance and oversight is strong in our academy. Our Governing body has considerable financial, legal and management experience. We have developed a strong Resources and Audit sub-committee which includes qualified personnel.

Management accounts are produced and discussed with senior managers and the Governing Body to ensure value for money.

Spending proposals are costed and presented to senior leaders and governors and a business case is produced to support major investments. All proposals are challenged appropriately at all levels.

Regular Budget to Actual comparisons are produced and explained to senior staff and governors by the School Business Manager.

All contracts are reviewed when renewed to ensure the academy's interests are secured and are fit for purpose and provide best value. Consideration is given to both local and national contractors in determining best value before any commitment is made. All economies of cost are investigated by senior management to ensure efficient services are provided to children and staff.

The school ensures that multiple tenders are sourced where appropriate to ensure Value for Money. This was evidenced when the school sought to renew its security systems.

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

Cash Flow is important and regular reporting together with projections are provided to enhance management of the school's financial resources.

The School's internal auditors make three visits each year to report on all aspects of finance, business and governance each year and report independently to the Governors to ensure the school maintains or achieves improved financial support and value for money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust 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 Catholic Primary School for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

The risk and control framework

The academy trust'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 governors;
- regular reviews by the Resources and Audit 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 Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Wilkins Kennedy LLP, to complete the internal audit function. Wilkins Kennedy LLP's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

In particular the checks carried out in the current period include:

- Testing of control systems
- Testing of control account/ bank reconciliation
- Review of policies and procedures and adherence thereon
- Review of governance and training of Governors

Wilkins Kennedy LLP reports to the Governing body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. The role is carried out by a separate team at Wilkins Kennedy LLP with no connection to the audit team, this is to ensure the reviews are carried out independently.

ST MARY'S CATHOLIC PRIMARY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Wilkins Kennedy LLP delivered their schedule of work as planned and any recommendations are being actioned.

Review of effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the board of governors on 22/11/2016 and signed on its behalf by:


I Hayes

Chair of Governors from 27 September 2016

I Vassallo


Isobel Vassallo

Accounting officer

ST MARY'S CATHOLIC PRIMARY SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016

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

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

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



I Vassallo
Accounting Officer

..... 22.11.16

ST MARY'S CATHOLIC PRIMARY SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The governors (who act as trustees for St Mary's Catholic Primary School and are also the directors of St Mary's Catholic Primary School for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare accounts for each financial year. Under company law the governors must not approve the accounts 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 accounts, the governors are required to:


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

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

The governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of governors on 22/11/2016 and signed on its behalf by:


J Hayes

Chair of Governors from 27 September 2016

ST MARY'S CATHOLIC PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ST MARY'S CATHOLIC PRIMARY SCHOOL

We have audited the accounts of St Mary's Catholic Primary School for the year ended 31 August 2016 set out on pages 23 to 43. 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Governors' Responsibilities Statement set out on page 18, the governors, who are also the directors of St Mary's Catholic Primary School for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

ST MARY'S CATHOLIC PRIMARY SCHOOL

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF ST MARY'S CATHOLIC PRIMARY SCHOOL (CONTINUED)

Matters on which we are required to report by exception

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

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



Michelle Wilkes (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy LLP

Chartered Accountants

Statutory Auditor

Greytown House
221-227 High Street
Orpington
BR6 ONZ

Dated: 30.11.16

ST MARY'S CATHOLIC PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MARY'S CATHOLIC PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 28 January 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Mary's Catholic Primary School during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of St Mary's Catholic Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Mary's Catholic Primary School's funding agreement with the Secretary of State for Education dated 1 November 2014 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

ST MARY'S CATHOLIC PRIMARY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MARY'S CATHOLIC PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

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

Wilkins Kennedy LLP

Reporting Accountant

Wilkins Kennedy LLP
Greytown House
221-227 High Street
Orpington
BR6 ONZ

Dated: *30.06.16*

ST MARY'S CATHOLIC PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

		Unrestricted Funds	Restricted funds: General Fixed asset		Total 2016	Total 2015 10 months
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	2	39	25	-	64	129
Donations - transfer on conversion		-	-	-	-	4,028
Charitable activities:						
- Funding for educational operations	3	-	1,844	-	1,844	1,457
Other trading activities	4	72	-	-	72	47
Total income and endowments		<u>111</u>	<u>1,869</u>	<u>-</u>	<u>1,980</u>	<u>5,661</u>
Expenditure on:						
Charitable activities:						
- Educational operations	6	<u>84</u>	<u>1,746</u>	<u>82</u>	<u>1,912</u>	<u>1,418</u>
Total expenditure	5	<u>84</u>	<u>1,746</u>	<u>82</u>	<u>1,912</u>	<u>1,418</u>
Net income/(expenditure)		27	123	(82)	68	4,243
Transfers between funds		-	(25)	25	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	16	<u>-</u>	<u>(219)</u>	<u>-</u>	<u>(219)</u>	<u>(29)</u>
Net movement in funds		27	(121)	(57)	(151)	4,214
Reconciliation of funds						
Total funds brought forward		<u>115</u>	<u>(287)</u>	<u>4,386</u>	<u>4,214</u>	<u>-</u>
Total funds carried forward		<u>142</u>	<u>(408)</u>	<u>4,329</u>	<u>4,063</u>	<u>4,214</u>

ST MARY'S CATHOLIC PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative information ended 31 August 2015	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2015
		£'000	£'000	£'000	10 months £'000
Income and endowments from:					
Donations and capital grants	2	65	8	56	129
Donations - transfer on conversion		35	(338)	4,331	4,028
Charitable activities:					
- Funding for educational operations	3	-	1,457	-	1,457
Other trading activities	4	47	-	-	47
Total income and endowments		<u>147</u>	<u>1,127</u>	<u>4,387</u>	<u>5,661</u>
Expenditure on:					
Charitable activities:					
- Educational operations	6	32	1,335	51	1,418
Total expenditure	5	<u>32</u>	<u>1,335</u>	<u>51</u>	<u>1,418</u>
Net income/(expenditure)		115	(208)	4,336	4,243
Transfers between funds		-	(50)	50	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	16	-	(29)	-	(29)
Net movement in funds		<u>115</u>	<u>(287)</u>	<u>4,386</u>	<u>4,214</u>
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>115</u>	<u>(287)</u>	<u>4,386</u>	<u>4,214</u>

ST MARY'S CATHOLIC PRIMARY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2016

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		4,329		4,386
Current assets					
Debtors	11	36		45	
Cash at bank and in hand		356		212	
		<u>392</u>		<u>257</u>	
Current liabilities					
Creditors: amounts falling due within one year	12	(63)		(65)	
Net current assets			329		192
Net assets excluding pension liability			4,658		4,578
Defined benefit pension liability	16		(595)		(364)
Net assets			<u>4,063</u>		<u>4,214</u>
Funds of the academy trust:					
Restricted funds	14				
- Fixed asset funds			4,329		4,386
- Restricted income funds			187		77
- Pension reserve			(595)		(364)
Total restricted funds			<u>3,921</u>		<u>4,099</u>
Unrestricted income funds	14		<u>142</u>		<u>115</u>
Total funds			<u>4,063</u>		<u>4,214</u>

The accounts set out on pages 23 to 43 were approved by the board of governors and authorised for issue on 22/11/2016 and are signed on its behalf by:

J Hayes

Chair of Governors from 27 September 2016

Company Number 9258843

ST MARY'S CATHOLIC PRIMARY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

		2016		2015	
	Notes	£'000	£'000	10 months	£'000
Cash flows from operating activities					
Net cash provided by operating activities	17		169		227
Cash funds transferred on conversion			-		35
			<u>169</u>		<u>262</u>
Cash flows from investing activities					
Capital grants from DfE and EFA		-		56	
Payments to acquire tangible fixed assets		(25)		(106)	
		<u></u>	<u>(25)</u>	<u></u>	<u>(50)</u>
Change in cash and cash equivalents in the reporting period			<u>144</u>		<u>212</u>
Cash and cash equivalents at 1 September 2015			<u>212</u>		<u>-</u>
Cash and cash equivalents at 31 August 2016			<u><u>356</u></u>		<u><u>212</u></u>

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

St Mary's Catholic Primary School is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the governors' report.

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.

1.1 Basis of preparation

The accounts 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St Mary's Catholic Primary School meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of St Mary's Catholic Primary School prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 15 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 22.

1.2 Going concern

The governors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 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 receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(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. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within '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.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis.

1.4 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

Governance costs

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

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Tangible fixed assets acquired since the Academy was established are included in the accounts at cost. Assets costing less than £1,000 or groups of the same assets amounting to £3,000 are written off in the year of acquisition. All other assets are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds the cost is transferred to the restricted fixed asset fund, depreciation on such assets is charged to the restricted fixed asset fund.

In accordance with the accounting treatment set out by the Academies accounts direction the land and buildings have been included as an asset in the financial statements.

The Land and buildings has been included at the valuation provided by the EFA when completing its desktop valuation.

The academy trust has a Licence for the use of the Land and buildings from the voluntary aided school's trustees, the Handmaids of the Sacred Heart of Jesus, and the Catholic Archdiocese of Southwark under a church supplemental agreement. There is also a Deed of Release in place between the academy trust and the Handmaids of the Sacred Heart of Jesus.

The Church Supplemental Agreement is a rolling agreement with a minimum two years written notice period for termination, no such notice has been given at the date of signing the accounts.

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

Land and buildings	Buildings 2%; Land is not depreciated
Computer equipment	33.33%
Fixtures, fittings & equipment	20%

These accounts for the year ended 31 August 2016 are the first accounts of St Mary's Catholic Primary School prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 15 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 22.

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.

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.6 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.

1.7 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 16, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.10 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

1.11 Critical accounting estimates and areas of judgement

Accounting 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.

Critical accounting estimates and assumptions

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

Bad debts

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

2 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	-	-	56
Other donations	39	25	64	73
	<u>39</u>	<u>25</u>	<u>64</u>	<u>129</u>

3 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
DfE / EFA grants				
General annual grant (GAG)	-	1,691	1,691	1,290
Start up grants	-	-	-	25
Other DfE / EFA grants	-	122	122	66
	<u>-</u>	<u>1,813</u>	<u>1,813</u>	<u>1,381</u>
Other government grants				
Local authority grants	-	31	31	58
Other grants	-	-	-	18
	<u>-</u>	<u>31</u>	<u>31</u>	<u>76</u>
Total funding	<u>-</u>	<u>1,844</u>	<u>1,844</u>	<u>1,457</u>

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Hire of facilities	17	-	17	11
Catering income	42	-	42	32
Other income	13	-	13	4
	<u>72</u>	<u>-</u>	<u>72</u>	<u>47</u>

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

5 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2016 £'000	Total 2015 £'000
Academy's educational operations					
- Direct costs	1,145	57	121	1,323	1,004
- Allocated support costs	207	74	308	589	414
	<u>1,352</u>	<u>131</u>	<u>429</u>	<u>1,912</u>	<u>1,418</u>
Total expenditure	<u>1,352</u>	<u>131</u>	<u>429</u>	<u>1,912</u>	<u>1,418</u>
Net income/(expenditure) for the year includes:				2016 £'000	2015 £'000
Fees payable to auditor for:					
- Audit				8	6
- Other services				3	6
Depreciation of tangible fixed assets				82	51
				<u>82</u>	<u>51</u>

6 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2016 £'000	Total 2015 £'000
Direct costs - educational operations	36	1,287	1,323	1,004
Support costs - educational operations	48	541	589	414
	<u>84</u>	<u>1,828</u>	<u>1,912</u>	<u>1,418</u>
Analysis of support costs			2016 £'000	2015 £'000
Support staff costs			207	151
Depreciation and amortisation			25	4
Technology costs			6	2
Premises costs			104	88
Other support costs			232	144
Governance costs			15	25
			<u>589</u>	<u>414</u>

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Staff costs

	2016 £'000	2015 £'000
Wages and salaries	1,064	838
Social security costs	82	60
Operating costs of defined benefit pension schemes	197	133
	<u>1,343</u>	<u>1,031</u>
Staff costs	1,343	1,031
Staff development and other staff costs	9	3
	<u>1,352</u>	<u>1,034</u>
Total staff expenditure	<u>1,352</u>	<u>1,034</u>

Staff numbers

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

	2016 Number	2015 Number
Teachers	17	17
Administration and support	29	31
Management	3	3
	<u>49</u>	<u>51</u>

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 Number	2015 Number
£70,000 - £80,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £261k (10 Months to August 2015: £198k)

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Governors' remuneration and expenses

The Headteacher and other staff governors only receive remuneration and expenses (if any) in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors. During the year, no expenses were reimbursed to governors.

The value of governors' remuneration was as follows:

I Vassallo (Headteacher)

Remuneration £75,000- £80,000 (10 Months to 31 August 2015 £60,000 - £65,000)

Employers Pension Contributions £10,000 - £15,000 (10 Months to 31 August 2015 £5,000 - £10,000)

S Lawlor (staff)

Remuneration £40,000 - £45,000 (10 Months to 31 August 2015 £30,000 - £35,000)

Employers Pension Contributions £5,000 - £10,000(10 Months to 31 August 2015 £Nil - £5,000)

C Baxter (staff)

Remuneration £40,000 - £45,000 (10 Months to 31 August 2015 £30,000 - £35,000)

Employers Pension Contributions £5,000 - £10,000(10 Months to 31 August 2015 £Nil - £5,000)

Other related party transactions involving the governors are set out within the related parties note.

9 Governors and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim, however the cost for the year ended 31 August 2016 could not be ascertained as it was included with all insurance (2015: £749).

10 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2015	4,331	10	96	4,437
Additions	-	-	25	25
At 31 August 2016	4,331	10	121	4,462
Depreciation				
At 1 September 2015	47	1	3	51
Charge for the year	57	3	22	82
At 31 August 2016	104	4	25	133
Net book value				
At 31 August 2016	4,227	6	96	4,329
At 31 August 2015	4,284	9	93	4,386

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

10 Tangible fixed assets

(Continued)

In accordance with the accounting treatment set out by the Academies accounts direction the land and buildings have been included as an asset in the financial statements.

The land and buildings has been included at the valuation provided by the EFA when completing its desktop valuation.

The academy trust has a Licence for the use of the land and buildings from the voluntary aided school's trustees, the Handmaids of the Sacred Heart of Jesus, and the Catholic Archdiocese of Southwark respectively under a church supplemental agreement. There is also a Deed of Release in place between the academy trust and the Handmaids of the Sacred Heart of Jesus.

The Church Supplemental Agreements is a rolling agreement with a minimum two years written notice period for termination, no such notice has been given at the date of signing the accounts.

Included in land and buildings is land of £1,504k (2015: £1,504k) which is not depreciated.

11 Debtors	2016 £'000	2015 £'000
Trade debtors	1	4
VAT recoverable	10	25
Other debtors	11	5
Prepayments and accrued income	14	11
	<u>36</u>	<u>45</u>
	<u><u>36</u></u>	<u><u>45</u></u>
12 Creditors: amounts falling due within one year	2016 £'000	2015 £'000
Accruals and deferred income	63	65
	<u>63</u>	<u>65</u>
	<u><u>63</u></u>	<u><u>65</u></u>
13 Deferred income	2016 £'000	2015 £'000
Deferred income is included within:		
Creditors due within one year	54	49
	<u>54</u>	<u>49</u>
	<u><u>54</u></u>	<u><u>49</u></u>
Deferred income at 1 September 2015	49	-
Released from previous years	(49)	-
Amounts deferred in the year	54	49
	<u>54</u>	<u>49</u>
Deferred income at 31 August 2016	54	49
	<u><u>54</u></u>	<u><u>49</u></u>

At the balance sheet date, the Academy Trust was holding funds received in advance for universal infant free school meals, rates relief, advanced trip income and dinner monies paid in advance.

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14 Funds

	Balance at 1 September 2015 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses & transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	77	1,691	(1,556)	(25)	187
Other DfE / EFA grants	-	122	(122)	-	-
Other government grants	-	31	(31)	-	-
Other restricted funds	-	25	(25)	-	-
	<u>77</u>	<u>1,869</u>	<u>(1,734)</u>	<u>(25)</u>	<u>187</u>
Funds excluding pensions	77	1,869	(1,734)	(25)	187
Pension reserve	(364)	-	(12)	(219)	(595)
	<u>(287)</u>	<u>1,869</u>	<u>(1,746)</u>	<u>(244)</u>	<u>(408)</u>
Restricted fixed asset funds					
General fixed assets	4,386	-	(82)	25	4,329
	<u>4,386</u>	<u>-</u>	<u>(82)</u>	<u>25</u>	<u>4,329</u>
Total restricted funds	<u>4,099</u>	<u>1,869</u>	<u>(1,828)</u>	<u>(219)</u>	<u>3,921</u>
Unrestricted funds					
General funds	115	111	(84)	-	142
	<u>115</u>	<u>111</u>	<u>(84)</u>	<u>-</u>	<u>142</u>
Total funds	<u>4,214</u>	<u>1,980</u>	<u>(1,912)</u>	<u>(219)</u>	<u>4,063</u>

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

General Annual Grant: Income received from the EFA to cover the normal running costs of the Academy.

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

Other DfE/EFA grants: This includes the pupil premium, universal infant free school meals, sport grant and devolved capital grants.

Other government grants: This includes SEN funding, additional universal infant free school meals and other grants. pupil premium.

Other restricted funds: This includes PTA donations for educational supplies.

DfE/EFA capital grants: This is a condition improvement grant award to improve the academy's kitchen.

Transfer of funds relate to the purchase of fixed assets during the period.

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

15 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	4,329	4,329
Current assets	142	250	-	392
Creditors falling due within one year	-	(63)	-	(63)
Defined benefit pension liability	-	(595)	-	(595)
	<u>142</u>	<u>(408)</u>	<u>4,329</u>	<u>4,063</u>

16 Pensions 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 London Borough of Bromley. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

16 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- from 1/9/15 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%

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

The pension costs paid to the TPS (employers and employees) in the period amounted to £120k (2015: £82k).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 26.8% for employers and 5.5 to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £74k.

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.

Total contributions made	2016 £'000	2015 £'000
Employer's contributions	74	55
Employees' contributions	17	12
	<hr/>	<hr/>
Total contributions	91	67
	<hr/>	<hr/>

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	3.3	3.7
Rate of increase for pensions in payment	1.9	2.2
Discount rate	2.1	3.9
Inflation assumption (CPI)	1.8	2.2

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

	2016 Years	2015 Years
Retiring today		
- Males	23.2	23.1
- Females	25.6	25.5
Retiring in 20 years		
- Males	25.5	25.4
- Females	28.5	28.4

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

	2016 Fair value £'000	2015 Fair value £'000
Equities	412	266
Other bonds	86	58
Cash	5	2
Other assets	50	38
Total market value of assets	553	364
Actual return on scheme assets - gain/(loss)	100	(7)

Amounts recognised in the statement of financial activities

	2016 £'000	2015 £'000
Current service cost (net of employee contributions)	71	51
Net interest cost	13	1
Administration expenses	2	-
Total operating charge	86	52

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

16 Pensions and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2016 £'000	2015 £'000
Obligations at 1 September 2015	728	-
Obligations acquired on conversion	-	629
Current service cost	71	51
Interest cost	29	21
Employee contributions	17	12
Actuarial loss	303	15
At 31 August 2016	1,148	728

Changes in the fair value of the academy trust's share of scheme assets	2016 £'000	2015 £'000
Assets at 1 September 2015	364	-
Assets acquired on conversion	-	291
Interest income	16	11
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain	84	(4)
Employer contributions	74	55
Employee contributions	17	12
Administration expenses	(2)	(1)
At 31 August 2016	553	364

17 Reconciliation of net income to net cash flows from operating activities

	2016 £'000	2015 £'000
Net income for the reporting period	68	4,243
Adjusted for:		
Net deficit/(surplus) transferred on conversion	-	(4,028)
Capital grants from DfE/EFA and other capital income	-	(56)
Defined benefit pension costs less contributions payable	(1)	(4)
Defined benefit pension net finance cost/(income)	13	1
Depreciation of tangible fixed assets	82	51
(Increase)/decrease in debtors	9	(45)
Increase/(decrease) in creditors	(2)	65
Net cash provided by operating activities	169	227

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

19 Capital commitments

	2016 £'000	2015 £'000
Expenditure contracted for but not provided in the accounts	13	-

At the balance sheet date the academy had a capital commitment for security work contracted for but not yet completed.

20 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

21 Members' 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

22 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

	1 September 2014 £'000	31 August 2015 £'000
Funds as reported under previous UK GAAP and under FRS 102	-	4,214

ST MARY'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2016

22 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of net income for the previous financial period

	Notes	2015 £'000
Net income as reported under previous UK GAAP		4,238
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	i	5
Net income reported under FRS 102		4,243

Notes to reconciliations on adoption of FRS 102

i) Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expense by £5k and increase the debit in other recognised gains and losses in the SoFA by an equivalent amount.