

ST MARY'S CHURCH OF ENGLAND ACADEMY, STOTFOLD
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2012

THURSDAY



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21/02/2013

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COMPANIES HOUSE

Company Registration Number
7999942 (England and Wales)

St Mary's Church Of England Academy, Stotfold

Contents

	Page
Reference and Administrative Details	1
Governors' Report	2 - 10
Governance Statement	11 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of Governors' Responsibilities	16
School Development Plan	17 - 26
Independent Auditor's Report to the Members	27-28
Independent Auditors Report on Regularity	29
Statement of Financial Activities incorporating Income & Expenditure Account	30
Balance Sheet	31
Cash Flow Statement	32
Notes to the Financial Statements	33-53

St Mary's Church Of England Academy, Stotfold

Reference and administrative details

Governors

Mr John Street (Trustee) (Director) *
Mr Robert Thornley (Trustee) (Director)
Mr Jonathan White (Trustee) (Director) *
Reverend Pat Quint
Ms Christine Taylor *
Mrs Anna Matthews *
Mr Stephen Backhouse *
Mrs Nicola Smoley
Mr Graham Warren *
Mrs Michelle Wathen
Mr Robert Bryan *
Mr Glenn Rickwood
Miss Sam Bishop *
Mrs Sandra May
Mrs Debbie Flanagan *
Mr Colin Phelps *
* - Members of the Resources Committee

Secretary

N/A

Senior management team

Mr Colin Phelps, Headteacher
Miss Sam Bishop, Assistant Headteacher
Mrs Fiona Brightwell, KS2 Team Leader
Mrs Alison Summerfield, KS1 Team Leader
Mrs Kathryn Pattullo, Foundation Stage Team Leader
Mrs Debbie Flanagan, School Manager

Registered Office

St Mary's CE Academy Stotfold
Rook Tree Lane, Stotfold, Hitchin,
Hertfordshire SG5 4DL

Company Registration Number

7999942

Auditors

Duncan & Toplis
15 Chequergate
Louth, Lincolnshire
LN11 0LJ

Bankers

Lloyds TSB
1 Bancroft, Hitchin, Hertfordshire SG5 1JQ

Solicitors

Lee Bolton, Monier-Williams
1 The Sanctuary, Westminster,
London SW1P 3JT

Surveyors

Brown and Lee, Stevenage
Elopak House, Meadway Technology Park,
Stevenage, Hertfordshire SG1 2EF

St Mary's Church Of England Academy, Stotfold

Governors' Report

The governors present their annual report together with the audited financial statements of the academy for the year ended 31 August 2012

Structure, Governance and Management

Constitution

The academy is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the academy.

The governors act as the trustees for the charitable activities of St Mary's Church of England Academy Stotfold and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as St Mary's Church of England Academy Stotfold.

Details of the governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Governors' Indemnities

The following cover is in place -

Governors Liability	Limit of Indemnity	£2,000,000
Fidelity Guarantee	All Governors	£250,000 - (Excess £100 each and every loss)
Personal Accident	Capital Sum	£50,000 - (Accidents and Assault Cover)
		Official duties in connection with the business including journeys directly connected therewith

Principal Activities

The main activities of the Academy are to foster the development and provision of high quality education and care of children.

Method of Recruitment and Appointment or Election of Governors (information from M&AA)

The Members may appoint up to 3 Governors.

The Members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Governors (excluding an Additional or Further Governors).

The Foundation Governors shall comprise

The Incumbent shall be treated for all purposes as an ex officio Foundation Governor. Further, the Foundation Member(s) may appoint additional Foundation Governors (having received a nomination for one of the additional two for that position from the Parochial Church Council of the Parish, and having received a nomination from the Diocesan Board of Education for the other) provided that the total number of Foundation Governors (including ex officio Foundation Governors) would not thereby exceed 25% of the total number of Governors (excluding any Additional or Further Governors).

The Principal shall be treated for all purposes as being an ex officio governor.

St Mary's Church Of England Academy, Stotfold

Governors' Report (continued)

Subject to Article 57, the Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected.

The Governing Body shall make all necessary arrangements for, and to determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot.

The arrangements made for the election of Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil of the Academy.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies.

In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Co-Opted Governors

The Governors may appoint up to 2 Co-opted Governors. A Co-opted Governor means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Principal but excluding any Additional or Further Governors).

Appointment of Additional Governors

The Secretary of State may give a warning notice to the Governors (which he shall copy to the Diocesan Board of Education) where he is satisfied-

- i) that the standards of performance of pupils at the Academy are unacceptably low, or
- ii) that there has been a serious breakdown in the way the Academy is managed or governed, or
- iii) that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise)

For the purposes of Article 60, a 'warning notice' is a notice in writing by the Secretary of State to the Academy Trust delivered to the Office setting out-

- a) the matters referred to in Article 60,
- b) the action which he requires the Governors to take in order to remedy those matters, and
- c) the period within which that action is to be taken by the Governors ("the compliance period")

The Secretary of State may appoint such Additional Governors as he thinks fit (after consultation with the Diocesan Board of Education) if the Secretary of State has

- a) given the Governors a warning notice in accordance with Article 60, and
- b) the Governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance period

St Mary's Church Of England Academy, Stotfold Governors' Report (continued)

The Secretary of State may also appoint such Additional Governors (after consultation with the Diocesan Board of Education) where following an inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy Trust receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 year period, of two Ofsted grades. For the purposes of the foregoing the grade received by St Mary's Voluntary Controlled Lower School, Stotfold shall be regarded as the grade received by the Academy.

The Secretary of State may also appoint such Further Governors as he thinks fit (after consultation with the Diocesan Board of Education) if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

Within 5 days of the Secretary of State appointing any Additional or Further Governors in accordance with Articles 62, 62A or 63, any Governors appointment under Article 50 and holding office immediately preceding the appointment of such Governors, shall resign immediately and the Members' power to appoint Governors under Article 50 shall remain suspended until the Secretary of State removes one or for of the Additional or Further Governors.

Policies and Procedures Adopted for the Induction and Training of Governors

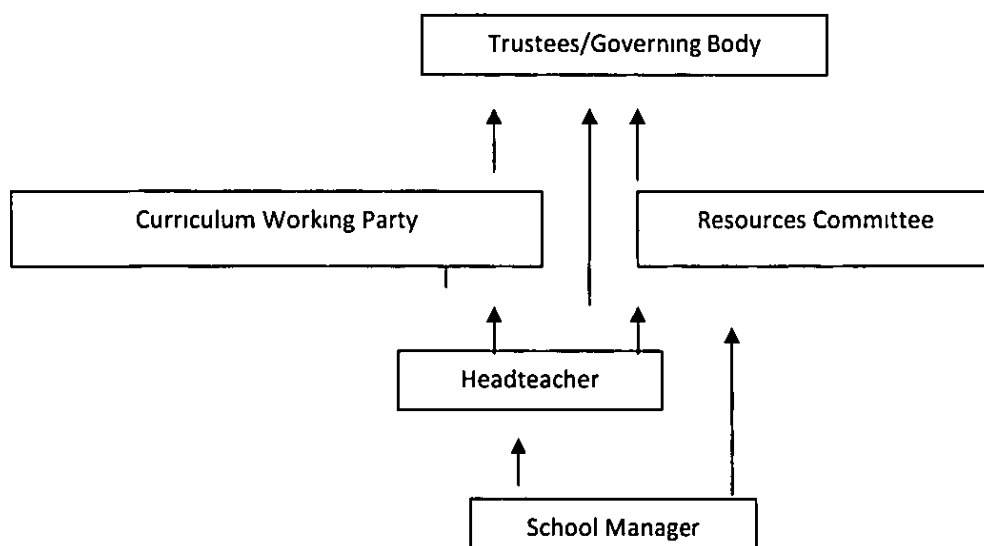
The training and induction provided for new Trustees will depend on their existing experience. The Academy buys into Central Bedfordshire Council's training package for Governors and new Governors are actively encouraged to participate in this. All new Trustees and Governors are given a tour of the academy and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

An Academy Governor handbook is to be created early 2013.

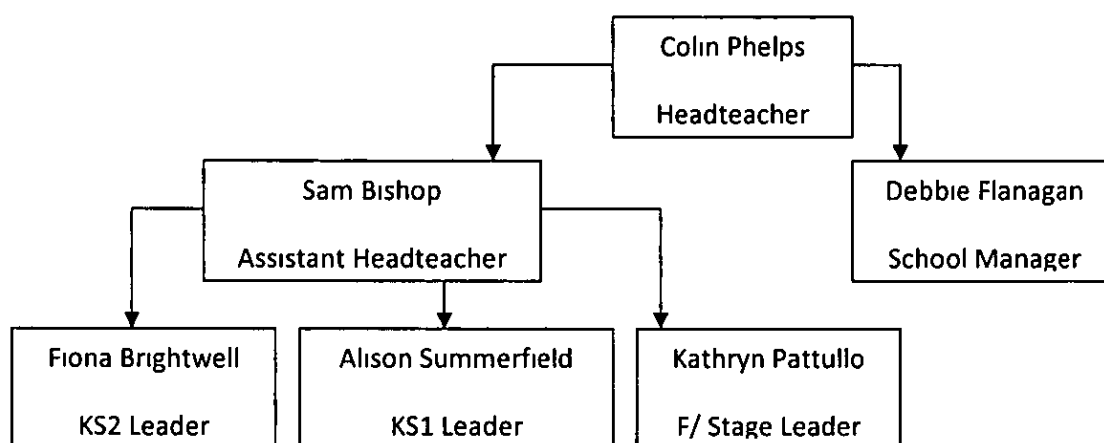
Organisational Structure

ACADEMY RESPONSIBILITY CHART



St Mary's Church Of England Academy, Stotfold
Governors' Report (continued)

Academy Leadership Team (as from 1st September 2012)



The academy has defined the responsibilities of each person involved in the administration of academy finances to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff

The Trustees/Governing Body have overall responsibility for the administration of the academy's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the Academy and DFE and the academy's scheme of government. The main responsibilities include

- Ensuring that grants from the DFE is used only for the purposes intended,
- Ensuring that funds from sponsors are received according to the academy's Funding Agreement and are used only for the purposes intended,
- Approval of the annual budget,
- Appointment of the Headteacher and
- Appointment of senior staff (i.e. Assistant Head, Finance Manager etc), in conjunction with the Headteacher

St Mary's Church Of England Academy, Stotfold Governors' Report (continued)

The following financial delegations are currently in place

KEY					
Full Governing Body only	1				
Governing Body with advice from Headteacher	2				
Headteacher within	3				
Headteacher / other staff	4				
		1	2	3	4
Appointment of Headteacher		✓			
Appointment of Assistant Headteacher/Finance Manager			✓		
Appointment of other senior staff			✓		
Approve formal Budget each year		✓			
Monitor Monthly expenditure			✓		
Investigate financial irregularities (Head suspected)		✓			
Investigate finance irregularities (others suspected)			✓		
Enter into contracts up to £4,999				✓	
Enter into contracts over £5,000		✓			
Make payments for goods and services					✓
Staff pay structure/increments (not Head)			✓		
Determine dismissal payment/early retirement			✓		
Set premises charging and remissions policy			✓		
Ensure provision of free school meals for those meeting criteria				✓	

Risk Management

The Trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy and its finances. The systems and processes used as a school when there were no known incidences have been used to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance.

The Academy have systems in place, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. The academy has an effective system of internal financial controls.

Connected Organisations, including Related Party Relationships

The only organisation related to the Academy is the Children's Centre which is on site and known as St Mary's CE Academy Stotfold (Trading) Limited. This is independently funded by the Local Authority and provides support and advice for everyone in the local area with pre-school children.

St Mary's Church Of England Academy, Stotfold

Governors' Report (continued)

Objectives and Activities

The Academies Trust Object is specifically restricted to the following to advance for the public benefit education in the United Kingdom, in particular with not without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character offering a broad and balance curriculum (the Academy) conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education

Objectives, Strategies and Activities

Please see School Development Plan

Public Benefit

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit, "*Charities and Public Benefit*"

The academy's public benefit is enshrined in its charitable objects, which state

- To advance for the public benefit education in the town of Stotfold and the surrounding area, in particular but without prejudice to the generality of the foregoing by estimating, maintaining, carrying on, managing and developing schools, offering a broad curriculum
- To provide facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community

Achievements and Performance

Our achievements this year include the following

- Successful conversion to St Mary's CE Academy, Stotfold
- Continuing significant oversubscription, due to the popularity of the academy
- A Significant role countywide in Leadership Development, and as a Strategic Partner of Central Beds Teaching School
- Being given responsibility for delivering Children's Centre Services in Arlesey, in addition to Stotfold and Fairfield Park
- Excellent Year 4 Assessment results
- Good Key Stage 1 Assessment results However, these were down on the last few years The first Phonics Screening took place, and our results were disappointing We need to improve on our Key Stage 1 performance in 2013
- Excellent Early Years Foundation Stage Profile results
- A successful Creative Arts Week
- Other special events included A "Diamond Jubilee" day, an "Olympic" Sports Afternoon, our annual Personal, Social, Health and Citizenship Education (PSHCE) Day, our Harvest Festival and a Book Fair
- Involvement in Stotfold Mill Weekend and the co-ordination and involvement in Stotfold Festival
- Musical activities included Whole School Concerts at Christmas and in the Summer, a KS2 performance of "The Lion King", samba workshops and a performance and we hosted a "Sing Up" event
- Great sporting success, and involvement in many sports events
- Many successful Liaison events
- Visits by various year groups to the National Gallery, Woburn Safari Park, The National Space Museum, Shepreth Wildlife Park, Shuttleworth, Stotfold Mill, Cuffley Camp Outdoor Centre, Hazard Alley and West End performances of "The Lion King" and "Stomp"
- Visitors included MP Alistair Burt, Bishop Richard, Blunderbus Theatre Company, colleagues from Bedford Museum and John Harris, Olympic Torchbearer, with torch!
- The School Council organised many events, including three Coffee Mornings/Afternoons for local Senior Citizens
- The SMSA organised many successful events, raising, and spending, over £6,000
- Over £1,000 was raised for various charities

St Mary's Church Of England Academy, Stotfold

Governors' Report (continued)

Going Concern

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

Financial Review

The majority of the Academy's income is obtained from the DfE in the form of recurrent grants. The grants received from the DfE during the period ended 31 August 2012 and the associated expenditure are shown in the statement of financial activities.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £275,000.

Financial and Risk Management Objectives and Policies

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance.

They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains, they have ensured they have adequate insurance cover.

Principal Risks and Uncertainties

Based on the strategic plan, the Risk Management Committee (Audit Committee) undertakes a comprehensive review of the risks to which the academy is exposed. The committee identifies systems and procedures, including specific preventable actions which should mitigate any potential negative impact on the academy.

The internal controls for managing risks deemed as medium and high are incorporated into annual risk management action plan. The effectiveness of the academy's internal controls in managing the risks identified is regularly monitored.

A thorough appraisal is undertaken in the subsequent year of the existing risks and any emerging risks, for example, those arising from changes to national funding policy and/or local circumstances. In addition to the annual review, the Risk Management Committee will also consider any risks which arise during the year, for example, as a result of a new area of work being undertaken by the academy.

A risk register, covering low, medium and high level risks, is maintained at academy level. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised as low, medium and high using a consistent scoring system.

The academy's approach to risk management is supported by a risk management training programme which raises awareness of risk throughout the academy. In addition, Heads of Department and Heads Teachers incorporate risk management in their self assessment reports and quality improvement plans.

Outlined below is a description of the principal risk factors that may affect the academy. However, not all factors are within the academy's control and other factors besides those listed below may also adversely affect the academy.

St Mary's Church Of England Academy, Stotfold

Governors' Report (continued)

1 Government funding

The academy has considerable reliance on continued government funding through the Education Funding Agency (EFA) and the Local Authority

This risk has and will be mitigated in a number of ways

- Funding is derived through a number of direct and indirect contractual arrangements,
- Considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies,
- Ensuring the academy is focused on those priority sectors which will continue to benefit from public funding,
- Contingency planning embedded into the academy budget process

2 Maintain adequate funding of pension liabilities

The financial statements report the share of the local government pension scheme deficit on the academy's balance sheet in line with the requirements of FRS 17

The academy takes professional advice on this position and makes appropriate contributions on the basis of that advice to ensure the deficit does not become unmanageable

3 Pupil Strategy

The academy seeks to maintain its popularity with current and prospective pupils by

- ensuring the academy delivers high quality education and training,
- maintaining outstanding success rates and good inspection outcomes,
- investing in its teaching staff and resources, and
- providing a welcoming and caring environment in which to learn

This places the academy in an excellent position to attract new pupils

Reserves Policy

The academy's 'free' reserves are its funds after excluding restricted funds. 'Reserves' are therefore the resources the academy has or can make available to spend for any or all of the academy's purposes once it has met its commitments and covered its other planned expenditure. More specifically 'free reserves' represent income to the academy which is to be spent at the Trustees' discretion in furtherance of any of the academy's objects but which is not yet spent, committed or designated.

The trustees will review the reserve levels of the academy annually. This review will encompass the nature of income and expenditure streams. The trustees will determine an appropriate level of free reserves which should 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 maintenance. The academy's current level of free reserves is £60,436.

The level of restricted funds at the period end, excluding the restricted fixed asset fund, endowment fund and the pension reserve, amounted to £56,183.

Fund in deficit

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Academy balance sheet shows a net liability of £275,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary.

**St Mary's Church Of England Academy, Stotfold
Governors' Report (continued)**

Investment Policy

The Academy has insufficient funds at present or for the foreseeable future to warrant an Investment Policy

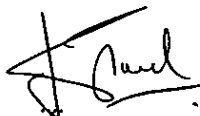
Plans for Future Periods

No specific plans at present

Funds held as Custodian Trustee on behalf of others

The Academy does not hold such funds

Approved by order of the members of the Governing Body on 17 December 2012 and signed on its behalf by

A handwritten signature in black ink, appearing to read 'John Street', written over a horizontal line.

John Street
[Chair]

St Mary's Church Of England Academy, Stotfold

Governance Statement

Scope of Responsibility

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

The Governing Body 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 Church of England Academy Stotfold and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The Trustees/Governing Body

The Trustees/Governing Body have overall responsibility for the administration of the academy's finances. The main responsibilities of the governing body are prescribed in the Funding Agreement between the Academy and DFE and the academy's scheme of government. The main responsibilities include:

- Ensuring that grants from the DFE are used only for the purposes intended,
- Ensuring that funds from sponsors are received according to the academy's Funding Agreement and are used only for the purposes intended,
- Approval of the annual budget,
- Appointment of the Headteacher and
- Appointment of senior staff (i.e. Assistant Head, Finance Manager etc), in conjunction with the Headteacher.

The Resources Committee

The Resources Committee is a committee of the governing body. The Resources Committee meets at least once a term but more frequent meetings can be arranged if necessary.

The main responsibilities of the Resources Committee are detailed in written terms of reference which have been authorised by the governing body. The main responsibilities include:

- The initial reviews and authorisation of the annual budget,
- The regular monitoring of actual expenditure and income against budget,
- Ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 1985 and the DFE guidance issued to academies,
- Authorising the award of contracts over £5,000,
- Authorising changes to the academy personnel establishment and
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and controls. These reports must also be reported to the full governing body.

The Headteacher

Within the framework of the academy development plan as approved by the governing body the Headteacher has overall executive responsibility for the academy's activities including financial activities. Much of the financial responsibility has been delegated to the Finance Manager but the Headteacher still retains responsibility for:

- Approving new staff appointments within the authorised establishment, except for any senior staff posts which the governing body have agreed should be approved by them,
- Authorising contracts between £1,000 and £4,999 in conjunction with the Finance Manager,
- Signing cheques in conjunction with other authorised signatories. See appendix 3.

St Mary's Church Of England Academy, Stotfold

Governance Statement (continued)

The Finance Manager

The Finance Manager works in close collaboration with the Headteacher through whom she is responsible to the governors. The Finance Manager also has direct access to the governors via the Resources Committee. The main responsibilities of the Finance Manager are

- The day to day management of financial issues including the establishment and operation of a suitable accounting system,
- The management of the academy financial position at a strategic and operational level within the framework of financial control determined by the governing body,
- The maintenance of effective systems of internal control,
- Ensuring that the annual accounts are properly presented and adequately supported by the underlying books and records of the academy,
- The preparation of monthly management accounts,
- Arranging processing and authorising of orders below £5,000
- Arranging payment of invoices and signing of cheques by authorised signatories
- Ensuring forms and returns are sent to the EFA and DFE in line with the timetable in the DFE guidance

Responsible Officer

The Responsible Officer (RO) is appointed by the governing body and provides governors with an independent oversight of the academy's financial affairs. The main duties of the RO are to provide the governing body with independent assurance that

- The financial responsibilities of the governing body are being properly discharged,
- Resources are being managed in an efficient, economical and effecting manner,
- Sound systems of internal financial control are being maintained and
- Financial considerations are fully taken into account in reaching decisions

The Responsible Officer will undertake a termly programme of reviews to ensure that financial transactions have been properly processed and that controls are operating as laid down by the governing body. A report of the findings from each visit will be presented to the Resources Committee. Detailed guidance on the transactions to be checked by the RO is given in Appendix A of the DFE Guidance. See Appendix 5 for list of checks to be undertaken and format of report.

Other Staff

All staff are responsible for the security of academy property, for avoiding loss or damage, for ensuring economy and efficiency in the use of resources and for conformity with the requirements of the academy's financial procedures.

The information on governance included here supplements that described in the governors' Report and in the Statement of Governors responsibilities. The Governing Body has formally met 6 times during the year.

St Mary's Church Of England Academy, Stotfold Governance Statement (continued)

Attendance during the year at meetings of the governing body was as follows

Governor	Meetings attended	Out of a possible
John Street	6	6
Robert Thornley	0	3
Jonathan White	2	4
Reverend Pat Quint	0	3
Ms Christine Taylor	2	3
Mrs Anna Matthews	2	3
Mr Stephen Backhouse	2	2
Mrs Nicola Smoley	2	3
Mr Graham Warren	4	4
Mrs Michelle Wathen	2	3
Mr Robert Bryan	3	4
Mr Glenn Rickwood	2	3
Mr Colin Phelps	6	6
Miss Sam Bishop	4	4
Mrs Sandra May	3	3
Mrs Debbie Flanagan	4	4
Mrs Kathryn Pattullo (Curriculum only)	2	2

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mary's Church of England Academy Stotfold for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The governing body 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 Governing body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

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 governing body,
- regular reviews by the Resources 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

St Mary's Church Of England Academy, Stotfold

Governance Statement (continued)

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 Mr Stephen Backhouse as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

On a termly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

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

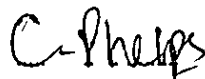
- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self-assessment process,

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is evolving.

Approved by order of the members of the Governing Body on 17 December 2012 and signed on its behalf by



John Street
[Chair]



Colin Phelps
[Accounting Officer]

St Mary's Church Of England Academy, Stotfold

Statement on Regularity, Propriety and Compliance

As Accounting Officer of St Mary's Church of England Academy, Stotfold I have considered my responsibility to notify the academy trust governing body and the Education Funding Agency (EFA) of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



Colin Phelps
[Accounting Officer]

St Mary's Church Of England Academy, Stotfold

Statement of trustees' responsibilities

The trustees are responsible for preparing the Governors' Report and the Financial Statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction issued by the Education Funding Agency

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Academy and of the incoming resources and application of resources, including the income and expenditure, of the Academy for the year. In preparing these financial statements, the governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Academy's transactions and disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the Academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Young People's Learning Agency, Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the trustees are aware

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

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

Approved by order of the members of the Governing Body on 17 December 2012 and signed on its behalf by



John Street
[Chair]

St Mary's CE Academy, Stotfold



School Development Plan

2012/2013

School Review and Development 2012/13

A review of the school's policies and practices was carried out in Spring 2012. The Parent Questionnaire, which has been identified as an example of good practice, was distributed in March 2012. An analysis is included. The children have also contributed through class discussions.

The School Development Plan consists of two elements, a five year strategic plan and a more detailed one year plan. The one year plan identifies areas for development and will be monitored termly by the Governing Body through their committees. Appendices also include a Monitoring timetable and information regarding the status of policy statements.

Our Vision 2009-2013

We believe that our academy must seek to promote the spiritual, moral, intellectual, creative and physical development of our children.

We are committed to the principles of Every Child Matters, and we will seek to ensure that our children will -

Stay Safe

By

- providing a well maintained, secure and safe building and premises
- ensuring that effective child protection and safer recruitment policies are in place
- having effective behaviour policies
- teaching the children strategies to keep themselves safe, through high quality PSHCE activities
- working effectively with parents, families and other agencies

Be Healthy

By

- promoting the benefits of good health as a Healthy School
- providing good quality PE and Sports opportunities, both as curricular and extra curricular activities
- promoting the benefits of healthy lifestyles, through high quality PSHCE activities
- ensuring that there is water available for all children, and fruit for Key Stage 1 and Foundation Stage children, during the school day
- providing practices and procedures which seek to promote children's emotional as well as physical health

Enjoy and Achieve

By

- providing a high quality broad, balanced and rich curriculum
- developing highly personalised learning, with ICT a key element, involving children in managing their own learning
- giving children opportunities to make visits, receive visitors and be involved in Arts and Sports activities and special events to enhance their educational experience
- providing a wide range of high quality extra curricular activities
- identifying and celebrating children's achievements

Make a Positive Contribution

By

- giving children opportunities to have significant input into the life of the school, particularly through the School Council
- giving children opportunities to take roles of responsibilities, such as through the Friendship Stop
- giving children many opportunities to be involved in the local and wider community
- giving children opportunities to be involved in charity and fund-raising events
- teaching the importance of citizenship through high quality PSHCE activities

Achieve Economic Wellbeing

By

- providing a curriculum in which children gain good basic skills in Literacy, Numeracy and ICT
- providing opportunities for personalised learning
- providing high quality PSHCE
- providing opportunities, especially through role play, for children to model lives as adults

School Development Plan 2012/13

Areas of Development

Leadership and Management

- Continue to devise/rebrand/update policies for St Mary's Academy
- Devise and implement a structure for staffing and resources to support teaching and learning in Academic Year 2012/13
- Assemble documentation and agree procedures for an possible Ofsted Inspection
- Restructure staffing and develop the work of the Red Bear Children's Centre, in order to deliver services in Arlesey in addition to Stotfold and Fairfield Park
- Consider the outreach work of the Academy regarding Leadership Development and Succession Planning
- Consider the future development of the Academy in the light of the growing population of Stotfold

Standards and Achievement

- Continue to monitor teaching and learning and raise standards in Literacy
- Continue to monitor teaching and learning and raise standards in Maths
- Continue to monitor teaching and learning and raise standards in the Early Years Foundation Stage

Provision- Curriculum

- Carry out a consultation at staff and governor level to further develop our Curriculum
- Develop a more coherent strategy for assessment, tracking and target setting
- Purchase reading books and other learning resources, particularly for Phonics teaching

Provision- Premises

- Consider improvements in the hall
- Ensure that all classrooms have appropriate ICT provision
- Refurbish the playground toilet areas and improve other toilet areas

School Development Plan 2012/13(1)

Leadership & Management

Area of Development	Action	Success Criteria	Budget Resource Implications	Personnel Responsible	Timescale	Monitoring/ Evaluation	Date(s) Reviewed
Continue to devise/rebrand/update policies for St Mary's Academy	Devise new policies necessary for Academies Rebrand all existing policies, list in SDP Appendix Add appropriate policies to academy website Continue policy review schedule	For all appropriate policies to be in place	No significant costs	Headteacher	Ongoing June-Oct 2012 Sept- Oct 2012 Ongoing	Staff and Governors Termly Reviews	
Devise and implement a structure for staffing and resources to support teaching and learning in Academic Year 2012/13	To devise and implement plan to manage classes, given numbers and teaching spaces available To provide appropriate levels of support to classes, particularly KS1 classes Deploy Topaz Class as KS1 Teaching Area	For high levels of standards and achievement and children's educational experiences to be maintained in all classes	Increase in Class support hours	Headteacher, Leadership Team	June 2012- July 2013	Staff and Governors Termly Reviews	
Assemble documentation and agree procedures for an possible Ofsted Inspection	Update SEF Update data, tracking sheets Assemble Documentation identified in SEF Ensure Staff aware of new Framework Devise contingency plan for Inspection following phone call on the previous day Ensure Staff and Governors well informed	For a successful outcome to be achieved at a possible Ofsted Inspection	Headteacher time	Headteacher, Staff, Governors	July- Oct 2012 and ongoing	Staff and Governors Termly Reviews	
Restructure staffing and develop the work of the Red Bear Children's Centre, in order to deliver services in Arlesey in	To devise an appropriate structure to deliver services in Arlesey, as well as Stotfold and Fairfield Park To ask current staff to apply for the new	For children and families to benefit from further Services delivered locally	Sure Start Funding	Headteacher Children's Centre manager	June 2012	Governors Termly Review	

addition to Stotfold and Fairfield Park	posts, or offer redundancy To reassign or appoint staff to fit within the new structure To build the new team to work effectively to deliver the programmes of work already begun and are being developed				June 2012 July 2012 Sept 2012- July 2013		
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School Development Plan 2012/13(2) **Leadership & Management (2)**

Area of Development	Action	Success Criteria	Budget Resource Implications	Personnel Responsible	Timescale	Monitoring and Evaluation	Date(s) Reviewed
Consider the outreach work of the Academy regarding Leadership Development and Succession Planning	Headteacher to continue to chair Leadership Development Group and represent LA in regional conferences Headteacher to continue be involved in induction for new Heads and for NPQH colleagues, and as a Local Leader of Education (LLE) Headteacher to be involve in Strategic Leadership of Central Beds Teaching School Headteacher to assist in leading Courses for Aspirant Heads and Aspirant Deputy Heads Colleagues to participate in both programmes, to build Leadership Capacity in St Mary's Headteacher and School Manager to continue to support schools seeking Academy Status	For St. Mary's to have a key role in supporting Leadership Development in other schools and academies For St. Mary's to be building leadership capacity within the academy	Leadership Grant being managed by St Mary's on behalf of Central Beds Schools and Academies Costs of two colleagues participating in programmes	Headteacher, School manager	June 2012- July 2013	Central Beds Teaching School Strategic Board Staff and Governors Termly Reviews	

Consider the future development of the Academy in the light of the growing population of Stotfold	<p>To continue to work with the Admissions team and local schools and academies to deal with the admissions shortfall being experienced</p> <p>To manage admissions appeals as professionally as possible</p> <p>To consider changing our admission criteria and/or catchment area</p> <p>To consider possible expansion of the academy by acquiring land and seeking DoE funding</p> <p>To make the issue an standing item on Governors meeting agendas</p>	For the academy to be operating at an appropriate standard number in years to come	No significant costs	Headteacher, Staff, Governors	Ongoing	Staff and Governors Termly Reviews
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School Development Plan 2012/13(3) Standards and Achievement

Area of Development	Action	Success Criteria	Budget Resource Implications	Personnel Responsible	Timescale	Monitoring and Evaluation	Date(s) Reviewed
Continue to monitor teaching and learning and raise standards in Literacy	To extend KS1 Phonics "Sound Groups" , from 3 times a week to 4 times	For results/points totals in Year 2 in Reading to be improved	Provision of extra KS1 support	Literacy Leader, Key Stage Leaders, Staff	June 2012– July 2013	Staff and Governors Termly Reviews	
	To further develop grammar and punctuation teaching in KS1/2	For results/points totals in Year 4 in Reading to be maintained/improved	Literacy Leader INSET, Staff meetings and Training				
	To implement KS1 Literacy Action Plan	For results/points totals in Year 2 in Writing to be improved					
	To introduce Year 2 Writing Books						

	To regularly monitor teaching of Literacy across the school	For results/points totals in Year 4 in Writing to be maintained/improved For % of children achieving a pass mark in the Phonics Screening to increase					
Continue to monitor teaching and learning and raise standards in Maths	<p>To continue to have weekly group for most able Year 2 children</p> <p>To continue to have KS2 Maths groups</p> <p>To begin Year 4 "Booster Group" in the Autumn Term</p> <p>To provide extra support for Year 2 children through enhanced staffing</p> <p>To regularly monitor teaching of Maths across the school</p>	<p>For results/points totals in Year 2 to improve</p> <p>For results/points in Year 4 be maintained/improve</p>	Enhanced levels of class support, Headteacher time	Headteacher, Numeracy Leader, Key Stage Leaders, Staff	June 2012 – July 2013	Staff and Governors Termly Reviews	
Continue to monitor teaching and learning and raise standards in the Early Years Foundation Stage	<p>To implement the new EYFS framework</p> <p>To monitor the work of the EYFS team</p> <p>To continue to work alongside EYFS colleagues in other school and settings</p>	<p>For colleagues to be working effectively</p> <p>For achievement at the end of EYFS be at least in line with previous years</p>	EYFS INSET and training	Headteacher, EYFS Leader	June 2012- July 2013	Staff and Governors Termly Reviews	

School Development Plan 2012/13(4)

Curriculum

Area of Development	Action	Success Criteria	Budget Resource Implications	Personnel Responsible	Timescale	Monitoring	Date(s) Reviewed
Carry out a consultation at staff and governor level to further develop our Curriculum	To study latest Government Curriculum proposals	For children to have opportunities to participate in exciting cross-curricular and thematic activities	No significant costs	Headteacher, Teaching Staff	June 2012- July 2013	Staff and Governors Termly Reviews	
	To use an INSET Day to discuss these proposals and the way they inform our curriculum	For staff to be enthusiastic about the greater opportunities to plan and teach in a more creative and imaginative way					
	To discuss our curriculum at Governors Curriculum Committee meeting(s)	For work to retain clear and balanced subject links					
	To draw up long and medium term plans						
	To continue to work with other local school colleagues to provide coherence and consistency						
	To monitor teaching of cross-curricular activities						
Develop a more coherent strategy for assessment, tracking and target setting	To consider our current forms of assessment To increase the use of APP Consider a more coherent system, probably based on Integrns G2	For a more coherent system of assessment to be in place	Training and program costs	Headteacher, Teaching Staff	Ongoing	Staff and Governors Termly Reviews	

Purchase reading books and other learning resources, particularly for Phonics teaching	To purchase more reading books, to match the increase in pupil numbers in Key Stage 1	For results in Literacy, particularly in Key Stage 1, to improve	Approx £2,000	Headteacher, Literacy Leader, Key Stage Leaders	June- Dec 2012	Staff and Governors Termly Reviews	
	To improve the provision of phonics based resources						

School Development Plan 2012/13(5)

Premises

Area of Development	Action	Success Criteria	Budget Resource Implications	Personnel Responsible	Timescale	Monitoring	Date(s) Reviewed
Consider improvements in the hall	To reorganise the storage areas in the hall To replace old, bulky staging with a new style of staging To purchase a short-throw projector To put song words, etc on a computer/data projector format	For the Hall provision and environment to be improved	Approx £7,000, mainly to be met through the School Association	Headteacher, School Manager	July 2012- July 2013	Staff and Governors Termly Reviews	
Ensure that all classrooms have appropriate ICT provision	To carry out an audit into ICT provision for each class, especially Interactive whiteboards, laptops Replace as appropriate	For all classes to have appropriate ICT facilities	Approx £2,000	Headteacher, ICT Leader, School Manager	June-Aug 2012	Staff and Governors Termly Reviews	
		For the toilet areas to be a		Headteacher,			

Refurbish the playground toilet areas and improve other toilet areas	Consider the most cost-effective way of carrying out some refurbishment work Carry out work	more pleasant environment	Approx £1000? From Maintenance budget	School Manager	July 2012- July 2013	Staff and Governors Termly Reviews	
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REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ST MARY'S CHURCH OF ENGLAND ACADEMY, STOTFOLD

We have audited the financial statements of St Mary's Church of England Academy, Stotfold for the period ended 31 August 2012 on pages 30 to 53. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities) and the Annual Accounts Direction 11/12 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 auditors' 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006 and the Accounts Direction 11/12 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

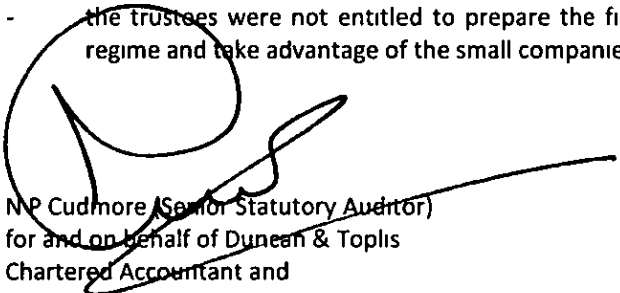
In our opinion the information given in the Report of the Trustees for the financial period for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ST MARY'S CHURCH OF ENGLAND ACADEMY, STOTFOLD**

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 financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees



N.P. Cudmore (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis
Chartered Accountant and
Statutory Auditors
15 Chequergate
Louth
Lincolnshire
LN11 0LJ

17 December 2012

ST MARY'S CHURCH OF ENGLAND ACADEMY, STOTFOLD

INDEPENDENT AUDITOR'S REPORT ON REGULARITY TO THE GOVERNING BODY OF ST MARY'S CHURCH OF ENGLAND ACADEMY, STOTFOLD

In accordance with the terms of our engagement letter dated 17 December 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Mary's Church of England Academy, Stotfold during the period 1 April 2012 to 31 August 2012 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 Church of England Academy, Stotfold and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the St Mary's Church of England Academy, Stotfold and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Mary's Church of England Academy, Stotfold and the EFA, for our work, for this report, or for the conclusion we have formed

Retrospective responsibilities of St Mary's Church of England Academy, Stotfold accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Mary's Church of England Academy, Stotfold funding agreement with the Secretary of State for Education dated 1 October 2010 and the Academies Financial Handbook as published by DfES in 2006, 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 2011/12. 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 April 2012 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

Approach

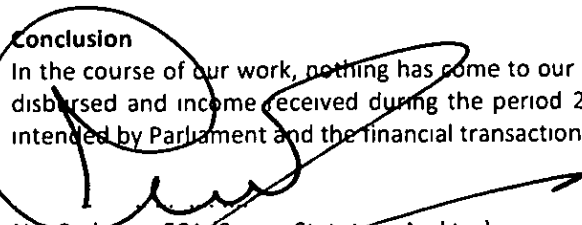
We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity

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

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

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 27 March 2012 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them


N P Cudmore FCA (Senior Statutory Auditor)
For and on behalf of Duncan & Topliss
Chartered Accountant and Statutory Auditors
15 Chequergate, Louth
Lincolnshire, LN11 0LJ

17 December 2012

ST MARY'S CHURCH OF ENGLAND ACADEMY, STOTFOLD

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

	Notes	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset funds £	Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Transfer from predecessor school	3	65,699	(266,000)	2,425,627	2,225,326
Voluntary income	3	3,646			3,646
Activities for generating funds	4	6,046	35,098	-	41,144
Investment income	5	525	-	-	525
Incoming resources from charitable activities					
Funding for the Academy's educational operations	6	8,186	421,058	-	429,244
Total incoming resources		84,102	190,156	2,425,627	2,699,885
RESOURCES EXPENDED					
Costs of generating funds					
Costs of generating voluntary income	7	-	21,812	-	21,812
Charitable activities					
Funding for the Academy's educational operations	8	23,589	349,130	24,340	397,059
Governance costs	11	-	24,208	-	24,208
Total resources expended		23,589	395,150	24,340	443,079
NET INCOME/(EXPENDITURE) FOR THE PERIOD before transfers					
		60,513	(204,994)	2,401,287	2,256,806
Gross transfers between funds	22	(77)	(8,823)	8,900	-
Net income/(expenditure) for the period before other recognised gains and losses		60,436	(213,817)	2,410,187	2,256,806
Actuarial gains/losses on defined benefit schemes		-	(5,000)	-	(5,000)
Net movement in funds		60,436	(218,817)	2,410,187	2,251,806
TOTAL FUNDS CARRIED FORWARD		60,436	(218,817)	2,410,187	2,251,806

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities

The notes form part of these financial statements

ST MARY'S CHURCH OF ENGLAND ACADEMY, STOTFOLD

BALANCE SHEET 07999942
AT 31 AUGUST 2012

	Notes	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset funds £	Total funds £
FIXED ASSETS					
Tangible assets	17	-	-	2,410,187	2,410,187
Investments	18	-	1	-	1
		-	1	2,410,187	2,410,188
CURRENT ASSETS					
Stocks		2,500	-	-	2,500
Debtors amounts falling due within one year	19	57,925	45,464	-	103,389
Cash at bank and in hand		11	35,260	-	35,271
		60,436	80,724	-	141,160
CREDITORS					
Amounts falling due within one year	20	-	(24,542)	-	(24,542)
NET CURRENT ASSETS		60,436	56,182	-	116,618
TOTAL ASSETS LESS CURRENT LIABILITIES		60,436	56,183	2,410,187	2,526,806
PENSION LIABILITY	22	-	(275,000)	-	(275,000)
NET ASSETS/(LIABILITIES)		60,436	(218,817)	2,410,187	2,251,806
FUNDS	23				
Unrestricted funds					60,436
Restricted funds					56,183
Restricted Fixed Asset funds					2,410,187
Pension fund					(275,000)
TOTAL FUNDS					2,251,806

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board of Trustees on 17 December 2012 and were signed on its behalf by



John Street

The notes form part of these financial statements

ST MARY'S CHURCH OF ENGLAND ACADEMY, STOTFOLD

CASH FLOW STATEMENT

FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012

	Notes	£
Net cash inflow from operating activities	1	43,647
Returns on investments and servicing of finance	2	525
Capital expenditure and financial investment	2	(8,901)
		<hr/>
Increase in cash in the period		<u>35,271</u>

Reconciliation of net cash flow to movement in net debt

	3	£
Increase in cash in the period		<u>35,271</u>
Change in net debt resulting from cash flows		<u>35,271</u>
Movement in net debt in the period		35,271
Net debt at 21 March		<hr/>
Net debt at 31 August		<u>35,271</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	£
Net incoming resources	2,256,806
Depreciation charges	24,340
Interest received	(525)
Assets transferred on conversion	(2,425,627)
Pension deficit upon incorporation	266,000
Interest costs and Current Service Costs of FRS17	32,000
Employer pension contributions	(21,000)
Expected return on employer assets	(7,000)
Increase in stocks	(2,500)
Increase in debtors	(103,389)
Increase in creditors	<u>24,542</u>
Net cash inflow from operating activities	<u>43,647</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	£
Returns on investments and servicing of finance	
Interest received	<u>525</u>
Net cash inflow for returns on investments and servicing of finance	<u>525</u>
 Capital expenditure and financial investment	
Purchase of tangible fixed assets	(8,900)
Purchase of fixed asset investments	<u>(1)</u>
Net cash outflow for capital expenditure and financial investment	<u>(8,901)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 21/3/12 £	Cash flow £	At 31/8/12 £
Net cash			
Cash at bank and in hand	-	35,271	35,271
	<u> </u>	<u> </u>	<u> </u>
Total	<u>-</u>	<u>35,271</u>	<u>35,271</u>

4. MAJOR NON-CASH TRANSACTIONS

Included in note 1 to the cash flow is £2,425,627 which relates to the gift of land and buildings and other tangible assets from the Local Authority upon conversion to an Academy. This transaction did not involve the transfer of cash.

ST MARY'S CHURCH OF ENGLAND ACADEMY, STOTFOLD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012

1. GENERAL ANNUAL GRANT

	2012 £
a. Results and carry forward for the year	
GAG brought forward from previous year	-
GAG allocation for current period	<u>331,040</u>
Total GAG available to spend	331,040
Recurrent expenditure from GAG	329,052
Capital expenditure from GAG	<u>1,921</u>
GAG carried forward to next year (before transfers)	67
Maximum permitted GAG carry forward at end of current period (12% of allocation for current year)	<u>39,725</u>
 GAG to surrender to DfE	 <u>-</u>
 GAG carried forward before transfers	 67
Transfer between funds	<u>(67)</u>
 GAG carried forward	 <u>-</u>

2 ACCOUNTING POLICIES

Basis of preparing the financial statements

The standard format for the financial statements as required by the Companies Act 2006 schedule 4 part 1 has been adapted to provide more appropriate information which complies with the Statement Of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (Charities SORP 2005) and reflects the activities of the Academy

Accounting convention

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

Consolidated accounts

These accounts present information about the academy trust as an individual undertaking and not about the group. The subsidiary undertaking, St Mary's CE Academy Stotfold (Trading) Limited, is considered immaterial at this stage for the purposes of Financial Reporting Standard Number 2

Results of the subsidiary are given in full in the notes to these accounts

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012

2 ACCOUNTING POLICIES - continued

Incoming resources

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.

Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy is recognised in the statement of financial activities at their estimated value to the Academy in the period in which they are receivable, and where the benefit is both quantifiable and material. Where the actual cost of the donated service or gift in kind can be ascertained, this is used as the value in the financial statements.

Interest receivable

Interest receivable is included within the statement of financial activities on a receivable basis where the amount can be quantified with reasonable accuracy.

Lettings income

The Academy receives income from letting its facilities to other organisations. This is accounted for on a receivable basis.

Other income

Other income is accounted for on a receivable basis.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the Academy's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources. All stock is expensed as perishable.

Governance costs

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs. The trustees are unable to quantify the value of management time spent in dealing with this area and therefore, no such costs have been allocated to governance costs.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Freehold property	- in accordance with the property
Long leasehold	- 2% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

Tangible fixed assets acquired are included in the accounts at cost

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). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Assets costing less than £500 are written off in the year of acquisition.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost of stock is based on a first in first out basis.

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.

Fund accounting

Unrestricted funds can be used in accordance with the Academy's objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Academy. Restrictions arise when specified by the DfE and other donors or when funds are raised for particular restricted purposes.

Restricted fixed asset fund

In accordance with the DfE guidelines where funding has been used to acquire tangible fixed assets the cost of the assets have been transferred to a restricted fixed asset fund, as detailed in the notes to the accounts.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

Academy staff are members of one of two pension schemes, both of which are defined benefit schemes, more details of the schemes are given in the notes to the accounts

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS) The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education As the Academy is unable to identify its share of the underlying (notional) assets and liabilities of the scheme, the Academy has taken advantage of the exemption in Financial Reporting Standard (FRS) 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme The pension costs for the scheme represent the contributions payable by the Academy in the year

Local Government Pension Scheme

Non-teaching members of staff are offered membership of the Local Government Scheme (LGPS) The LGPS is a defined benefit pension scheme and is able to identify the Academy's share of pension assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed The Academy's share of the LGPS assets are measured at bid value at each balance sheet date Liabilities are measured on an actuarial basis using the projected unit method The net of these two figures is recognised as an asset or liability on the balance sheet Any movement in the asset or liability between balance sheet dates is reflected in the Statement of Financial Activities

Going concern

The trustees assess whether the use of going concern is appropriate i.e whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements

**ST MARY'S CHURCH OF ENGLAND ACADEMY,
STOTFOLD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

2. ACCOUNTING POLICIES - continued

Conversion to an Academy

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from St Mary's VC Lower School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for St Mary's Church of England Academy, Stotfold. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income net expenditure in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Pension deficit upon incorporation of £266,000 has been included in the accounts on the SoFA within voluntary income in the restricted funds. Assets (including land and buildings) have also been included within the SoFA of £2,425,627 have been included within voluntary income in the restricted fixed asset fund. A cash surplus brought forward of £65,699 has been included within unrestricted funds.

Irrecoverable VAT

VAT that is not reclaimable by the Academy is included in resources expended within the cost it relates to.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

3. VOLUNTARY INCOME

	£
Donations	1,028
Transfer from predecessor school	2,225,326
School trips	<u>2,618</u>
	<u><u>2,228,972</u></u>

4. ACTIVITIES FOR GENERATING FUNDS

	£
Hire of facilities	2,266
Salary reclaims	643
Other income	10,070
SMASH club income	<u>28,165</u>
	<u><u>41,144</u></u>

**ST MARY'S CHURCH OF ENGLAND ACADEMY,
STOTFOLD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

5. INVESTMENT INCOME

	£
Deposit account interest	<u>525</u>

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	£
Catering income	Funding for the Academy's educational operations	8,186
Grants	Funding for the Academy's educational operations	<u>421,058</u>
		<u>429,244</u>

Grants received, included in the above, are as follows

	£
General Annual Grant (GAG)	331,040
Start up grant	25,000
Devolved Capital	6,666
Pupil premium	1,500
Early years funding	16,852
Leadership Development Grant	<u>40,000</u>
	<u>421,058</u>

7. COSTS OF GENERATING VOLUNTARY INCOME

	£
Staff costs	15,868
Sundries	<u>5,944</u>
	<u>21,812</u>

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9)	Support costs (See note 10)	Totals
	£	£	£
Funding for the Academy's educational operations	<u>292,908</u>	<u>104,151</u>	<u>397,059</u>

**ST MARY'S CHURCH OF ENGLAND ACADEMY,
STOTFOLD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	£
Staff costs	247,671
Sundries	4,920
Books, apparatus & stationery	12,164
Other direct costs	2,540
Staff Development	1,273
Depreciation	<u>24,340</u>
	<u>292,908</u>

10 SUPPORT COSTS

	£
Funding for the Academy's educational operations	<u>104,151</u>

All support costs were judged to be in support of the academy's educational operations

Support costs, included in the above, are as follows

	Funding for the Academy's educational operations £
Staff costs	47,094
Other operating leases	746
Rates and water	6,062
Insurance	7,284
Light and heat	8,263
Telephone	356
Postage and stationery	203
Sundries	748
Maintenance of premises	3,510
Cleaning	1,267
Technology Costs	1,570
Catering	16,676
Other Support Costs	6,339
Transport	33
Expected return on pension scheme assets	(7,000)
Interest on pension scheme liabilities	<u>11,000</u>
	<u>104,151</u>

**ST MARY'S CHURCH OF ENGLAND ACADEMY,
STOTFOLD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

11. GOVERNANCE COSTS

	£
Personnel fees	4,216
Legal fees	12,992
Auditors' remuneration	5,000
Auditors' remuneration for non-audit work	<u>2,000</u>
	<u>24,208</u>

12. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting)

	£
Auditors' remuneration	5,000
Depreciation - owned assets	24,340
Other operating leases	<u>746</u>

13. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration paid in the period to 31 August 2012

Trustees' Expenses

There were no expenses paid to trustees in the period to 31 August 2012

**ST MARY'S CHURCH OF ENGLAND ACADEMY,
STOTFOLD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

14 STAFF COSTS

	£
Wages and salaries	254,984
Social security costs	15,807
Other pension costs	<u>39,842</u>
	<u>310,633</u>

The average monthly number of employees during the period expressed as a full time equivalent, was as follows

	2012
Teachers	10
Administration and support staff	<u>12</u>
	<u>22</u>

One employee earned more than £60,000 per annum (including taxable benefits but excluding employers' pension contributions) during the period ended 31 August 2012. The total emoluments of these employees were in the following ranges

	2012
£60,001 - £70,000	<u>1</u>

All of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for these staff amounted to £3,782.

At 1 April 2012 all staff from the predecessor school transferred to the Academy. A pensions deficit was transferred at the same time in respect of non-teaching staff. Further details are in note 29 of the accounts.

15 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the period ended 31 August 2012 was £635.

**ST MARY'S CHURCH OF ENGLAND ACADEMY,
STOTFOLD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

16. ST MARY'S CE ACADEMY STOTFOLD (TRADING) LIMITED

Below details the trading position of the subsidiary undertaking for the period ended 31 August 2012

	2012 £
Incoming resources	
Sure Start Grant	41,666
Donations upon conversion	31,355
Donations and gifts in kind	12,446
	<hr/>
Total incoming resources	<u>85,467</u>
 Outgoing resources	
Staff costs	32,326
Legal and professional fees	3,044
Postage and stationery	668
Advertising	895
Cleaning	221
Other support costs	138
Community general costs	6,857
	<hr/>
Total outgoing resources	<u>44,149</u>
	<hr/>
Incoming resources in excess of outgoing resources	<u>41,318</u>
 Current Assets	
Bank	50,672
Cash	159
Debtors	943
VAT	921
	<hr/>
	<u>52,695</u>
 Current Liabilities	
Trade creditors	10,321
Accruals	1,056
	<hr/>
Current liabilities	<u>11,377</u>
	<hr/>
Net assets	<u>41,318</u>

**ST MARY'S CHURCH OF ENGLAND ACADEMY,
STOTFOLD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

17. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
Additions	<u>86,250</u>	<u>2,323,500</u>	<u>9,202</u>	<u>15,575</u>	<u>2,434,527</u>
DEPRECIATION					
Charge for period	<u>2,396</u>	<u>19,363</u>	<u>959</u>	<u>1,622</u>	<u>24,340</u>
NET BOOK VALUE					
At 31 August 2012	<u>83,854</u>	<u>2,304,137</u>	<u>8,243</u>	<u>13,953</u>	<u>2,410,187</u>

All of the tangible fixed assets are used for educational purposes

18. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
MARKET VALUE	
Additions	<u>1</u>
NET BOOK VALUE	
At 31 August 2012	<u>1</u>

There were no investment assets outside the UK

The company's investments at the balance sheet date in the share capital of companies include the following

St Mary's Church of England Academy, Stotfold (Trading) Limited

Nature of business Operation of a Children's Centre

Class of share	% Holding
Ordinary	100

	2012 £
Aggregate capital and reserves	41,318
Profit for the period/year	<u>41,318</u>

**ST MARY'S CHURCH OF ENGLAND ACADEMY,
STOTFOLD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

19. DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012
	£
Other debtors	66,489
VAT	10,104
Prepayments and accrued income	<u>26,796</u>
	<u>103,389</u>

20 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012
	£
Trade creditors	2,853
Other creditors	1,644
Accruals and deferred income	<u>20,045</u>
	<u>24,542</u>

Deferred income

	2012
	£
Deferred income brought forward	-
Resources deferred in the period	6,662
Amounts released from previous years	<u>-</u>
Deferred income at 31 August 2012	<u>6,662</u>

Deferred income relates to the receipt of the insurance grant from the Education Funding Agency

21. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	2012
	£
Expiring	
Between one and five years	<u>1,606</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

22 PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Local Authority,

The total pension cost to the Academy during the period ended 31 August 2012 was £39,842 of which £21,337 relates to the TPS and £18,505 relates to LGPS

The Academy was unable to obtain an actuarial valuation for the LGPS pension deficit that specifically related to the employees of the Academy The pension deficit included in these accounts also includes the deficit in relation to the subsidiary St Mary's CE Academy Stotfold (Trading) Limited

Teachers Pension Scheme (TPS)

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

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

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

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5%

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012

22 PENSION COMMITMENTS

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

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

The pension cost charged in the financial statements for this scheme for the period ended 31 August 2012 was £21,337 which were the contributions due for the period. No amounts were outstanding at the period end.

Local Government Pension Scheme

The Academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The total contribution made for the year ended 31 August 2012 was £23,549 of which employer's contributions totalled £18,505 and employees' contributions totalled £5,044. No amounts were outstanding at the period end.

The agreed contribution rates for the year ended 31 August 2012 were 21.9% for employers, employees' rates varied according to salary.

The following information relates to the Academy and subsidiary combined and is based upon a full actuarial valuation of the fund at 31 March 2004, updated to 31 August 2012 by a qualified independent actuary. The major assumptions used by the actuary were:

	At 31 August 2012
Rate of increase in salaries	4.5%
Rate of increase in pensions	2.2%
Discount rate for liabilities	4.1%
Inflation	4.4%

**ST MARY'S CHURCH OF ENGLAND ACADEMY,
STOTFOLD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

22. PENSION COMMITMENTS

The Academy's share of assets and liabilities in the scheme and the expected rate of return were

	Long-term rate of return expected at 31 August 2012	Value at 31 August 2012 £'000
Equities	5.5%	185
Bonds	3.5%	60
Property	3.7%	32
Cash	2.8%	<u>78</u>
Total fair value of assets		355
Present value of scheme liabilities		<u>(630)</u>
Net pension liability		<u><u>(275)</u></u>

None of the fair values shown above include any of the Academy's own financial instruments, or any property occupied by, or other assets used by the Academy

The actual return on pension scheme assets in the period was £1,000

Analysis of amount chargeable to the Statement of Financial Activities

	2012 £'000
Current service cost	21
Interest cost	11
Expected return on assets	<u>(7)</u>
Total expenditure to be recognised in the SOFA	<u><u>25</u></u>

Amount recognised in the statement of total recognised gains and losses (STRGL) (Incorporated in the SOFA)

	2012 £'000
Actuarial gains/(losses) on pension scheme assets	(5)
Actuarial gains/(losses) on the scheme liabilities	<u>-</u>
Actuarial gain/(loss) recognised in STRGL (Incorporated in the SOFA)	<u><u>(5)</u></u>

Contributions

The total contributions made by the employer during the period were £21,000. The best estimate for contributions to be paid for the year ended 31 August 2013 is £78,000.

**ST MARY'S CHURCH OF ENGLAND ACADEMY,
STOTFOLD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

22. PENSION COMMITMENTS

Movement in deficit during the period

	2012 £'000
Deficit in the scheme at 1 April 2012	(266)
Movement in period	
Current service cost	(21)
Employer contributions	21
Interest costs	(11)
Expected return on assets	7
Actuarial gains/(losses)	<u>(5)</u>
Deficit in the scheme at 31 August 2012	<u><u>(275)</u></u>

Reconciliation of opening and closing balances of the present value of the Academy's share of the scheme assets and liabilities

	2012 £'000
Scheme liabilities at 1 April 2012	(592)
Current service cost	(21)
Interest cost	(11)
Contributions by members	(6)
Actuarial losses/(gains)	<u>-</u>
Scheme liabilities at 31 August 2012	<u><u>(630)</u></u>

	2012 £'000
Scheme assets at 1 April 2012	326
Expected return on assets	7
Contributions by members	6
Contributions by employer	21
Actuarial (losses)/gains	<u>(5)</u>
Scheme assets at 31 August 2012	<u><u>355</u></u>

History of experience gains and losses

	£'000
Fair value of assets	355
Present value of scheme liabilities	(630)
Deficit in scheme	(275)
Experience adjustment on scheme assets	(5)
Experience adjustment on scheme liabilities	-
Percentage of scheme assets	1.4%
Percentage of scheme liabilities	-

**ST MARY'S CHURCH OF ENGLAND ACADEMY,
STOTFOLD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

22. PENSION COMMITMENTS

Sensitivity Analysis

Change in assumptions at the period end 31 August 2012	Approximate % increase to Employer Liability	Approximate monetary amount (£'000)
0.5% decrease in Real Discount Rate	13%	80
1 year increase in member life expectancy	3%	19
0.5% increase in the Salary Increase Rate	5%	34
0.5% increase in the Pension Increase Rate	7%	43

23. MOVEMENT IN FUNDS

	At 21/3/12 £	Net movement in funds £	Transfers between funds £	At 31/8/12 £
Unrestricted funds				
Other income not for capital purposes	-	60,513	(77)	60,436
Restricted funds				
General Annual Grant (GAG)	-	(2,012)	2,012	-
Devolved capital	-	6,666	-	6,666
Pupil premium	-	31	-	31
Other income and grants	-	56,321	(6,835)	49,486
Pension reserve	-	(271,000)	(4,000)	(275,000)
	-	(209,994)	(8,823)	(218,817)
Restricted Fixed Asset funds				
Capital expenditure from GAG	-	(200)	1,921	1,721
Capital expenditure from other income	-	2,401,487	6,979	2,408,466
	-	2,401,287	8,900	2,410,187
TOTAL FUNDS	-	2,251,806	-	2,251,806

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012

23. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Other income not for capital purposes	84,102	(23,589)	-	60,513
Restricted funds				
Pension reserve	(266,000)	-	(5,000)	(271,000)
Other income and grants	116,950	(60,629)	-	56,321
General Annual Grant (GAG)	331,040	(333,052)	-	(2,012)
Devolved capital	6,666	-	-	6,666
Pupil premium	1,500	(1,469)	-	31
	190,156	(395,150)	(5,000)	(209,994)
Restricted Fixed Asset funds				
Capital expenditure from other income	2,425,627	(24,140)	-	2,401,487
Capital expenditure from GAG	-	(200)	-	(200)
	2,425,627	(24,340)	-	2,401,287
TOTAL FUNDS	<u>2,699,885</u>	<u>(443,079)</u>	<u>(5,000)</u>	<u>2,251,806</u>

- (i) General Annual Grant must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.
- (iii) Devolved capital - This funding can be used for capital expenditure and repairs to enhance the fabric of the Academy's buildings. This funding has been carried forward and is expected to be spent next year.
- (iv) Capital grant - the Academy was provided with a grant to assist with the additional capital expenditure incurred on conversion. These funds have all been spent.
- (v) Local authority - the authority provides funding to the Academy for amongst others, pupils with statements of special educational needs.
- (vi) Pension reserve - the costs, income associated with the defined benefit pension scheme, the local government pension scheme (LGPS) have been recorded in the GAG restricted fund, and then transferred to the restricted pension fund on the Statement of Financial Activities. Gains and losses associated with the pension scheme are shown in the restricted pension fund. The transfer between funds of £4,000 relates to the movement on the liability (excluding actuarial gains/losses).

Transfers between funds

During the period the Academy incurred capital expenditure of £8,900. This amount has been treated as a transfer between funds in accordance with the Department for Education guidelines.

Other transfers between funds have been made where a fund has been overspent and the Academy needed to fund this from another income source.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

24. 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 Secretary of State for Education 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

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

25. RELATED PARTY DISCLOSURES

Owing to the nature of the Academy's operations and the composition of the board of trustees 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 trustees 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

Included within the financial statements are the following transactions and balances with the wholly owned subsidiary St Mary's CE Academy Stotfold (Trading) Limited

Incoming resources £3,283

Accrued income £1,275

The incoming resources relate to various expenses that have been reimbursed during the period. All of the above transactions were at market value

26. ULTIMATE CONTROLLING PARTY

The trustees have ultimate control of the Academy

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

28. INCORPORATION

The company was incorporated on the 21 March 2012 and opened as an Academy on the 1 April 2012

**ST MARY'S CHURCH OF ENGLAND ACADEMY,
STOTFOLD**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE PERIOD 21 MARCH 2012 TO 31 AUGUST 2012**

29. CONVERSION TO AN ACADEMY

On 1 April 2012 St Mary's VC Lower School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Mary's Church of England Academy, Stotfold from the Central Bedfordshire Council for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings			2,323,500	2,323,500
- Other tangible assets			102,127	102,127
Budget surplus/(deficit) on LA funds	65,699			65,699
Budget surplus/(deficit) on other school funds				
LGPS pension surplus/(deficit)		(266,000)		(266,000)
Borrowing obligations				
Other identified assets and liabilities				
Net assets/(liabilities)	<u>65,699</u>	<u>(266,000)</u>	<u>2,425,627</u>	<u>2,225,326</u>