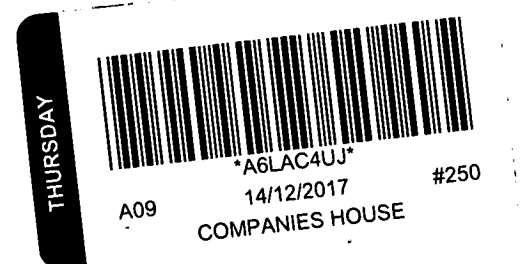


Company Registration No. 09693822 (England and Wales)

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

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**



# **ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST**

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# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Members</b>	Matthew Dickens Martin Lee Peter Smith
<b>Trustees (Directors)</b>	Marcella Touray Ingrid Farrell Stuart White Neil Farmer Jannine Stebbings Victoria Mitchell Linda O'Callaghan
<b>Governors</b>	Marcella Touray Ingrid Farrell Stuart White Neil Farmer Jannine Stebbings Victoria Mitchell Linda O'Callaghan Sharon Seon Dorrota Ramos
<b>Trust Strategic Leadership</b>	
Chef Executive	Linda O'Callaghan
Deputy Headteacher Infants	Imelda Pears
Head of School Juniors	Andrew MacDonald
<b>Senior Leadership Team Infants</b>	
- Head Teacher	Linda O'Callaghan
- Deputy Head Teacher	Imelda Pears
- Assistant Head Teacher	Victoria Mitchell
- Inclusion Manager	Sue Loughlin
- School Business Manager	Carmen D'Souza
<b>Senior Management Team Juniors</b>	
- Executive Headteacher	Linda O'Callaghan
- Head of School	Andrew MacDonald
<b>Company registration number</b>	09693822 (England and Wales)
<b>Registered office</b>	Bedford Park Croydon CR0 2AQ United Kingdom
<b>Independent auditor</b>	Baxter & Co Lynwood House Crofton Road Orpington Kent BR6 8QE
<b>Bankers</b>	Lloyds Bank, Croydon, Surrey
<b>Solicitors</b>	Winckworths

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# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 01 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2016/17 issued by the ESFA.

The principal activity of the company is the establishing, maintaining, carrying on, managing and developing of Catholic schools, currently being St Mary's Catholic Junior School and St Mary's Catholic Infants School, providing a state education for students aged 3 to 11. It has a pupil capacity of 446 and had a roll of 240 in the school census on 6<sup>th</sup> October 2016 for the Junior school and 206 for the Infants school.

#### **Structure, governance and management**

##### Constitution

The academy trust was incorporated as a company on 20 July 2015 and the predecessor schools converted to academy status on 01 September 2015. The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of St Mary's Catholic Primary Schools Trust are also the directors of the charitable company for the purposes of company law and they are trustees of the charitable company.

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

##### Members' liability

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

##### Trustees' indemnities

No indemnities have been given to any third parties on behalf of any trustees.

##### Method of recruitment and appointment or election of trustees

In accordance with the articles, the trustees of the charitable company are the directors of the charitable company. They are appointed as follows;

- Foundation Directors appointed by the Archbishop of the Diocese should exceed all other Directors by at least two;
- Directors may appoint Executive Directors, including the Chief Executive Officer, who are employees of the company should not exceed one-third of the total of Directors;
- a minimum of 2 Parent Governors appointed by the Directors;

##### Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters. All trustees are provided with the information needed (including policies, minutes, budgets, etc.) to undertake their role as trustees.

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Organisational structure

The board of trustees, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The board meets at least 3 times a year and delegate specific responsibilities to Committees which deal with policies, developments and assessment of different areas of the running of the Academies. The committees are as follows:

- Resources Committee
- Learning and Wellbeing
- Admissions

All of the committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members. The activities of the committees are reported to and discussed at trust board meetings.

Day to day management of the Trust is undertaken by The Executive Head Teacher, who is the Accounting Officer and is supported by the Leadership Team.

#### **Arrangements for setting pay and remuneration of key management personnel**

The Trust Strategic Leadership Team, the Senior Leadership Team of the Infants and the Senior Management Team of the Juniors are the key management personnel of the trust. Trustees are also Leaders but receive no pay or other remuneration in respect of their role as trustees. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

The pay of the Executive Headteacher is set annually by the Pay Committee, having regards to performance against objectives set the previous year. Pay of other Senior Leaders are also set by the Pay Committee having regard to performance against previously agreed objectives and any recommendations made by the Executive Headteacher.

#### **Objectives and activities**

##### Aims and Objectives

The aims and objectives of the Trust are to strive for excellence for our schools and we aim to put in place rigorous and aspirational targets that will ensure that progress is rapid and enduring within the context of our shared Catholic values and principles by:

- expressing, both explicitly and implicitly, core Catholic values such as responsibility, acceptance, truth and justice and community throughout our schools and for these to be reflected in all aspects of the curriculum offered.
- focus rigorously on the academic development of pupils with particular reference to Communication, Literacy, Numeracy and ICT skills within a curriculum framework that also pays close attention to the personal development of pupils, their resilience and independence, their creativity, their leadership and organisational skills, their understanding of citizenship and serve.
- encouraging a holistic approach to the development of all pupils believing that each person is an individual made in the image of God and should therefore be supported to reach their full potential by receiving the very best education possible.
- ensuring that all pupils succeed and thrive in school by raising aspirations and tackling disadvantage.
- providing strong leadership, accountability and effective support to enable school leaders and staff to focus on teaching and learning.

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Objectives, strategies and activities

Our objectives for this year are as follows:

#### **Expected overall outcomes:**

Both Schools providing outstanding RE and collective worship by:

- The Trust mission statement is visible and 'alive' in both schools.
- Children are tracked effectively in RE
- RE learning is at least to the standard of all other learning

Children are given a rich range of opportunities to live their faith.

Ensure that our Catholic Faith permeates throughout our Schools and lives and grows within our Schools.

Secure and Improve quality of leadership at all levels throughout the school including the development of an Executive Body to monitor consistency across the Trust (impact of leadership and management will be measured through continued improved pupil outcomes and improvements to teaching and learning).

#### **Expected overall outcomes:**

- There is a strong and effective Senior Leadership Structure driving improvement across both schools
- Middle leaders are clear about their roles and responsibilities, work in partnership across the schools to ensure consistency and report regularly to the SLT.
- There are secure and rigorous systems in place to drive school improvement.

The Governing Body strategically monitors and challenges all leaders.

Ensure that pupils' progress continues to accelerate and outcomes are above national, and that children's progress is accurately tracked in all subjects.

#### **Expected outcomes:**

- All children make good progress and children starting from low starting points make outstanding progress.
- Target Tracker is used effectively to track progress and identify next steps.
- Boys, girls and vulnerable groups make equally good progress – no gaps
- Teaching is consistent across all year groups, and is in line with our school ethos.
- Reading, writing and maths are taught and tracked with rigour and forensic analysis (teachers also track combined scores).
- There is a Trust wide policy for maths development.
- Children's progress is regularly tracked, monitored, analysed and targeted to ensure there are no gaps in learning.
- Children know what they need to do to improve and have ownership of their learning.

The curriculum is focused, challenging and provides daily opportunities for targeted problem solving.

Continue action research into Involvement and engagement in Learning and the Characteristics of an effective learner.

#### **Expected overall outcome:**

Action research completed and ready to be presented to the Governing Body.

# **ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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The main objectives during the last year were to:

**Improve the quality of teaching and learning by:**

- Ensuring that all teaching is at least good.
- Taking steps to improve pupils' speaking and listening skills.
- Raising teachers' expectations of what pupils can do.
- Ensuring basic skills are taught well and pupils are given enough opportunities to practise and consolidate the things they have learnt in English, mathematics, and science in other subjects.
- Ensuring that assessment is targeted, rigorous and used to move learning on.
- Ensuring that provision is rich and has breadth and depth, and that children are engaged, involved and active participants in their learning.
- Improving marking and feedback.
- Ensuring that all children make expected progress and many make accelerated progress (narrowing the gap for vulnerable groups).
- More able children are supported to ensure that they make accelerated progress.

**Improve aspects of leadership, management and governance by:**

- Ensuring that there is clear, secure distributive leadership in place across the Trust.
- Ensuring that Governors have a clear, strategic understanding of the strengths and areas for development in both schools.
- Developing a detailed cycle of monitoring and self-evaluation.
- Ensuring senior staff and co-ordinators work together so that clear systems are in place to check up on standards and teaching.
- Ensuring the results of lesson observations are used effectively to raise the level of teaching to improve standards.
- Ensuring that performance management arrangements are fulfilled according to legislation.
- Improving and developing the role of the co-ordinator so that they have good knowledge and understanding of their subject(s).
- Ensuring the school complies with financial systems and procedures laid down by the ESFA.

**Improve the use of assessment information, target setting and marking so that pupils know what they have to do to improve by:**

- Ensuring there is an effective target setting process in place.
- Using tracking data to set targets for children that they know and understand and are shared with parents.
- Ensuring teachers are consistent in their practice of marking pupils' work so that they know how to improve.
- Ensuring senior teachers are rigorous in checking standards of work across the school.

**Continue to embed involvement and engagement in learning and develop the characteristics of an effective learner by:**

- Developing positive attitudes to learning by embedding the characteristics of effective learning.
- Ensuring that all staff have consistently high expectations of pupils' behaviour for learning.
- Ensuring that teachers improve the quality of learning by systematically checking pupils' understanding and engagement and making appropriate interventions.
- Creating a positive environment for learning in which all pupils are interested and engaged.

**Public benefit**

In setting the objectives and planning the associated activities, Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Strategic report

##### Achievements and performance

##### Performance against 2016-2017 targets

- Leadership and management are judged to be outstanding at the next inspection.
- Effective leadership structure in place that drives school improvement
- Leaders at levels including governors have an accurate view of teaching and pupil outcomes
- Performance management is closely linked to pupil outcomes and the needs of adults
- Governance is Outstanding and contributes to a positive leadership and management judgement at the next inspection
- Teachers have an accurate understanding of what pupils need to achieve so that pupils make at least good progress from their varying starting points.
- Teachers are clear about how to develop mastery in English and mathematics
- Teaching assistants are used effectively at all times to develop pupils' understanding of new skills, knowledge and understanding
- Teaching and learning is at least consistently good over time with a large percentage of outstanding teaching
- Pupils and adults have a consistent approach and attitude to behaviour and learning
- Adult questioning is effective in supporting good progress and addressing misconceptions
- All pupils make at least expected progress (6 steps) and targeted groups make accelerated (6+ steps) across a year
- Governors understand their roles and responsibility and can effectively hold leaders to account through a range of monitoring activities including questioning.
- Teachers using the curriculum effectively to move children's learning on.
- A direct correlation between the curriculum and pupils progress

##### Key Performance Indicators

2016-2017 Results against national:

##### St Mary's 2017 Keystage 2 Results

Reading 77% achieving the expected level

Writing 83% achieving the expected level

Maths 89% achieving the expected level

##### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.



# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds".

Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August;

<b>Fund</b>	<b>Category</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
GAG	Restricted General Funds	36	(9)
Other DfE/ESFA Grants	Restricted General Funds	0	5
Other Income	Restricted General Funds	<u>15</u>	<u>11</u>
<b>Sub-total</b>	<b>General Restricted Funds</b>	<b>51</b>	<b>7</b>
Unspent Capital Grants	Restricted Fixed Asset Fund	27	20
Other Income	Unrestricted General Fund	<u>14</u>	<u>17</u>
<b>Sub-Total</b>	<b>Spendable Funds</b>	<b>92</b>	<b>44</b>
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	42	49
Share of LGPS Deficit	Restricted Pension Reserve	<u>(1,572)</u>	<u>(1,660)</u>
<b>Total</b>	<b>All Funds</b>	<b><u>(1,438)</u></b>	<b><u>(1,567)</u></b>

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Reserves policy

The principal policy on reserves is that accumulation of unspent GAG balances should not breach any limits thereon set out in the Funding agreement. The level of reserves should never be in deficit.

Each year the trustees review the resource requirements and grant and other income that is forecast for the coming year and an annual budget is formulated and approved.

#### Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

#### Principal risks and uncertainties

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to academic performance/finances/child welfare/admissions. The trustees have implemented a number of systems to assess risks that the Trust faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The principal financial risk faced by the company is that ongoing pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the trustees of actual financial performance, mitigates the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Most of the company's income is obtained from the DfE (via the Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

# **ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST**

## **TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Plans for future periods**

The Future aims for the Trust are to continue to consolidate distributive leadership across the two schools and secure financial stability by pooling resources and expertise before expanding the Trust to include other Catholic Primary Schools.

The Trust also plans to share its areas of excellence and expertise with failing schools in collaboration with the Schools Commission and the Archdiocese of Southwark with a particular foci on teacher training and school to school support.

### **Funds held as custodian trustee on behalf of others**

The academy trust is not acting as custodian for any other external body.

### **Auditor**

In so far as the Trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 08 December 2017 and signed on its behalf by.



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Marcella Touray  
Chair of Trustees

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to Linda O'Callaghan, the Executive Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Mary's Catholic Primary Schools Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Marcella Touray	3	3
Ingrid Farrell	3	3
Stuart White	3	3
Neil Farmer	3	3
Jannine Stebbings	3	3
Victoria Mitchell	3	3
Linda O'Callaghan	3	3

There have been no changes to the composition of the board since its formation in 2015.

### Governance reviews:

The Governing Body completed a mid term review in March 2017 and as a result have formed a new safeguarding committee which will meet at least three times a year.

The Governing Body will review all structures again at the end of September 2017.

### Review of Value for Money

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

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

This Year the Trust has been continuing to focus on achieving best value for money by pooling resources where appropriate between the schools. As a result of a full review of costs the Trust is:

- Reviewing all staff roles and consolidating roles across the two schools where appropriate
- Identifying staff savings by not replacing staff if roles can be covered by existing staff
- Using staff expertise to offer school to school support

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mary's Catholic Primary Schools Trust for the year from 01 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year from 01 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Trustees.

### **The risk and control framework**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability.

In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- 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.

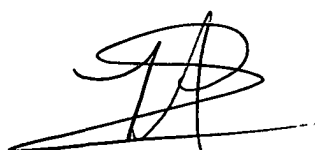
### **Review of effectiveness**

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

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

Approved by order of the Board of Trustees on 08 December 2017 and signed on its behalf by:



Marcella Touray  
**Chair of Trustees**



Linda O'Callaghan  
**Accounting Officer**

# **ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2017***

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As accounting officer of St Mary's Catholic Primary Schools Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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



Linda O'Callaghan  
**Accounting Officer**

08 December 2017

# **ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees (who are also the Directors of St Mary's Catholic Primary Schools Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with the Annual Accounts Direction published by the Education and Skills Funding Agency (ESFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board of Trustees on 08 December 2017 and signed on its behalf by:



Marcella Touray  
Chair of Trustees

# **ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST**

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### **Opinion**

We have audited the Financial Statements of St Mary's Catholic Primary Schools Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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



# **ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST (CONTINUED)**

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### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' Report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or 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.

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

# **ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST (CONTINUED)**

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

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

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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. 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's members as a body, for our audit work, for this report, or for the opinions we have formed.

**David John Walsh FCCA (Senior Statutory Auditor)**  
**For and on behalf of Baxter & Co**  
**Statutory Auditor**  
**Chartered Certified Accountants**  
Lynwood House  
Crofton Road  
Orpington  
Kent BR6 8QE

Dated: 08 December 2017

# **ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 13 October 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Mary's Catholic Primary Schools Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of St Mary's Catholic Primary Schools Trust's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of St Mary's Catholic Primary Schools Trust's funding agreement with the Secretary of State for Education dated 25 August 2015 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.9 of the Academies Financial Handbook 2016, issued by the ESFA.

# **ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)**

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### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Baxter & Co**  
**Independent Reporting Accountants**  
**Chartered Certified Accountants**  
Lynwood House  
Crofton Road  
Orpington  
Kent BR6 8QE

Dated: 8 December 2017

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000	Total 2016 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	13	13	20
Charitable activities:						
- Funding for educational operations	4	-	2,392	-	2,392	2,436
Other trading activities	5	-	38	-	38	18
<b>Total income and endowments</b>		-	2,430	13	2,443	2,474
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	3	2,487	20	2,510	2,654
Charitable expenditure - transfer from local authority on conversion		-	-	-	-	945
<b>Total expenditure</b>	6	3	2,487	20	2,510	3,599
<b>Net expenditure</b>		(3)	(57)	(7)	(67)	(1,125)
Transfers between funds		-	(7)	7	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	196	-	196	(442)
<b>Net movement in funds</b>		(3)	132	-	129	(1,567)
<b>Reconciliation of funds</b>						
Total funds brought forward		17	(1,653)	69	(1,567)	-
Total funds carried forward		14	(1,521)	69	(1,438)	(1,567)

The comparative figures for 2016 are analysed according to fund on the next page of these financial statements.

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2017

### SUPPLEMENTARY NOTE: COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	20	20
Charitable activities:					
- Funding for educational operations	4	-	2,436	-	2,436
Other trading activities	5	-	18	-	18
<b>Total income and endowments</b>		-	2,454	20	2,474
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	117	2,524	13	2,654
Charitable expenditure - transfer from local authority on conversion		(134)	1,134	(55)	945
<b>Total expenditure</b>	6	(17)	3,658	(42)	3,599
<b>Net income/(expenditure)</b>		17	(1,204)	62	(1,125)
Transfers between funds		-	(7)	7	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	17	-	(442)	-	(442)
<b>Net movement in funds</b>		17	(1,653)	69	(1,567)
<b>Reconciliation of funds</b>					
Total funds brought forward		-	-	-	-
Total funds carried forward		17	(1,653)	69	(1,567)

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £'000	2016 £'000
<b>Fixed assets</b>			
Tangible assets	11	42	49
<b>Current assets</b>			
Debtors	12	87	72
Cash at bank and in hand		258	189
		345	261
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	13	(253)	(217)
<b>Net current assets</b>		92	44
<b>Net assets excluding pension liability</b>		134	93
Defined benefit pension liability	17	(1,572)	(1,660)
<b>Total net assets</b>		(1,438)	(1,567)
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>	15		
- Fixed asset funds		69	69
- Restricted income funds		51	7
- Pension reserve		(1,572)	(1,660)
<b>Total restricted funds</b>		(1,452)	(1,584)
<b>Unrestricted income funds</b>	15	14	17
<b>Total funds</b>		(1,438)	(1,567)

The Financial Statements set out on pages 19 to 42 were approved by the Board of Trustees and authorised for issue on 08 December 2017 and are signed on its behalf by:

  
 Marcella Touray  
 Chair of Trustees

Company Number 09693822

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

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	Notes	2017 £'000	£'000	2016 £'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	18		63		33
Cash funds transferred on conversion			-		143
			<u>63</u>		<u>176</u>
<b>Cash flows from investing activities</b>					
Capital grants from DfE and ESFA		13		20	
Payments to acquire tangible fixed assets		<u>(7)</u>		<u>(7)</u>	
			<u>6</u>		<u>13</u>
<b>Change in cash and cash equivalents in the reporting period</b>			69		189
Cash and cash equivalents at 1 September 2016			<u>189</u>		<u>-</u>
<b>Cash and cash equivalents at 31 August 2017</b>			<u><u>258</u></u>		<u><u>189</u></u>

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# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The Financial Statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

##### 1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the Financial Statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

##### 1.3 Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

###### Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

###### Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

###### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

##### Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

##### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### Charitable activities

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

##### Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Trustees' meetings and reimbursed expenses.

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 1 Accounting policies

##### 1.5 Tangible fixed assets and depreciation

Assets costing £2,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £10,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

Fixtures, fittings & equipment	20% Straight Line
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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.

##### 1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### 1.7 Leasing and hire purchase commitments

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

##### 1.8 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows.

###### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

###### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

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

##### Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

##### Local Government Pension Scheme

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

#### 1.11 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education.

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **2 Critical accounting estimates and areas of judgement**

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

### **3 Donations and capital grants**

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	13	13	20

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,915	1,915	1,984
Start up grants	-	-	-	69
Other DfE / ESFA grants	-	191	191	178
	<u>-</u>	<u>2,106</u>	<u>2,106</u>	<u>2,231</u>
<b>Other government grants</b>				
Local authority grants	-	136	136	111
Other grants	-	5	5	3
	<u>-</u>	<u>141</u>	<u>141</u>	<u>114</u>
<b>Other funds</b>				
Other incoming resources	-	145	145	91
	<u>-</u>	<u>145</u>	<u>145</u>	<u>91</u>
<b>Total funding</b>	<u>-</u>	<u>2,392</u>	<u>2,392</u>	<u>2,436</u>

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	-	12	12	4
Adult paid meals	-	3	3	4
Breakfast and after school club income	-	23	23	10
	<u>-</u>	<u>38</u>	<u>38</u>	<u>18</u>

### 6 Expenditure

	Staff costs £'000	Premises & occupancy costs £'000	Other costs £'000	Total 2017 £'000	Total 2016 £'000
Academy's educational operations					
- Direct costs	1,520	11	153	1,684	1,798
- Allocated support costs	536	99	191	826	856
	<u>2,056</u>	<u>110</u>	<u>344</u>	<u>2,510</u>	<u>2,654</u>

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 6 Expenditure

Net income/(expenditure) for the year includes:	2017 £'000	2016 £'000
Fees payable to auditor for:		
- Audit	9	8
- Other services	5	4
Operating lease rentals	8	8
Depreciation of tangible fixed assets	14	13
Net interest on defined benefit pension liability	36	44

#### Central services

No central services were provided by the Academy Trust to its academies during the year and no central charges arose. Suppliers are asked to invoice each Academy individually. Staff and other costs paid by an Academy within the Trust for services provided to another of the Trust Academies are re-charged at cost.

### 7 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	3	1,681	1,684	1,798
Support costs - educational operations	-	826	826	856
	<u>3</u>	<u>2,507</u>	<u>2,510</u>	<u>2,654</u>

	Total 2017 £'000	Total 2016 £'000
<b>Analysis of support costs</b>		
Support staff costs	536	486
Depreciation and amortisation	3	3
Technology costs	7	16
Premises and occupancy costs	96	111
Other support costs	143	153
Governance costs	41	87
	<u>826</u>	<u>856</u>

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 8 Staff costs

	2017 £'000	2016 £'000
Wages and salaries	1,490	1,558
Social security costs	121	104
Operating costs of defined benefit pension schemes	417	386
Staff costs	2,028	2,048
Supply staff costs	28	26
Staff restructuring costs	-	45
Total staff expenditure	2,056	2,119

### Staff numbers

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

	2017 Number	2016 Number
Teachers	17	18
Administration and support	54	56
Management	6	3
	77	77

The number of persons employed, expressed as a full time equivalent, was as follows:

	2017 Number	2016 Number
Teachers	14	14
Administration and support	28	36
Management	6	7
	48	57

### Higher paid staff

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

	2017 Number	2016 Number
£60,000 - £70,000	1	-
£80,001 - £90,000	1	1



# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 8 Staff costs

#### Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions, excluding employer NIC) received by key management personnel for their services to the Academy Trust was £360,914 (2016: £351,125).

### 9 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

#### L O'Callaghan (Executive Head Teacher):

- Remuneration : £80,000 - £85,000 (2016: £80,000 - £85,000)
- Employer's pension contributions : £10,000 - £15,000 (2016: £10,000 - £15,000)

#### V Mitchell (Staff Trustee):

- Remuneration : £40,000 - £45,000 (2016: £40,000 - £45,000)
- Employer's pension contributions : £5,000 - £10,000 (2016: £5,000 - £10,000)

During the year, payments totalling £518 (2016: £nil) were reimbursed or paid directly to 2 Trustees (2016: 0 Trustees) in respect of expenses incurred in performing the duties of employment.

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

### 10 Trustees and officers insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 11 Tangible fixed assets

	Fixtures, fittings & equipment £'000
<b>Cost</b>	
At 1 September 2016	62
Additions	7
	<hr/>
At 31 August 2017	69
	<hr/>
<b>Depreciation</b>	
At 1 September 2016	13
Charge for the year	14
	<hr/>
At 31 August 2017	27
	<hr/>
<b>Net book value</b>	
At 31 August 2017	42
	<hr/>
At 31 August 2016	49
	<hr/>

The Trust occupies its Land and Buildings under the terms of a "Church Supplemental Agreement" dated 01 September 2015 made between the Southwark Roman Catholic Diocesan Corporation, the Secretary of State for Education and the Academy Trust. The Trustees of the academy trust have considered carefully the requirements of and guidance notes within the Academies Accounts Direction 2016 to 2017 issued by the ESFA. They have concluded that the agreement does not confer substantially all of the risks and rewards of ownership and taking into account the rights and obligations placed upon the academy trust, the substance of the arrangement is not materially different to its legal form. Accordingly they have concluded that it would be misleading to recognise the academy trust's right to occupy its buildings as a fixed asset on its balance sheet.

12 Debtors	2017 £'000	2016 £'000
VAT recoverable	20	12
Prepayments and accrued income	67	60
	<hr/>	<hr/>
	87	72
	<hr/>	<hr/>
<b>13 Creditors: amounts falling due within one year</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
Trade creditors	-	7
Other taxation and social security	30	30
Other creditors	99	80
Accruals and deferred income	124	100
	<hr/>	<hr/>
	253	217
	<hr/>	<hr/>

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

14	Deferred income	2017 £'000	2016 £'000
	Deferred income is included within:		
	Creditors due within one year	92	69
		<u>92</u>	<u>69</u>
	Deferred income at 1 September 2016	69	-
	Released from previous years	(69)	-
	Amounts deferred in the year	92	69
		<u>92</u>	<u>69</u>
	<b>Deferred income at 31 August 2017</b>	<b>92</b>	<b>69</b>

Deferred income relates to Early Years grant of £56k (2016: £35k), Universal Infants Free School Meals Received in advance of £34k (2016: £32k) and School Trips income received in advance of £2k (2016: £2k).

15	Funds	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
	<b>Restricted general funds</b>					
	General Annual Grant	(9)	1,915	(1,863)	(7)	36
	Other DfE / ESFA grants	3	77	(80)	-	-
	Pupil premium	2	114	(116)	-	-
	Other government grants	-	141	(141)	-	-
	Other restricted funds	11	183	(179)	-	15
		<u>7</u>	<u>2,430</u>	<u>(2,379)</u>	<u>(7)</u>	<u>51</u>
	Funds excluding pensions	7	2,430	(2,379)	(7)	51
	Pension reserve	(1,660)	-	(108)	196	(1,572)
		<u>(1,653)</u>	<u>2,430</u>	<u>(2,487)</u>	<u>189</u>	<u>(1,521)</u>
	<b>Restricted fixed asset funds</b>					
	Transferred on conversion	44	-	(13)	-	31
	DfE / ESFA capital grants	20	13	(6)	-	27
	Capital expenditure from GAG and other funds	5	-	(1)	7	11
		<u>69</u>	<u>13</u>	<u>(20)</u>	<u>7</u>	<u>69</u>
	<b>Total restricted funds</b>	<b>(1,584)</b>	<b>2,443</b>	<b>(2,507)</b>	<b>196</b>	<b>(1,452)</b>
	<b>Unrestricted funds</b>					
	General funds	17	-	(3)	-	14
		<u>17</u>	<u>-</u>	<u>(3)</u>	<u>-</u>	<u>14</u>
	<b>Total funds</b>	<b>(1,567)</b>	<b>2,443</b>	<b>(2,510)</b>	<b>196</b>	<b>(1,438)</b>

# **ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2017***

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### **15 Funds**

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

The General Annual Grant fund is to be used for the general operation of the academy.

The Other DfE/ESFA fund and Other Government Grant fund represents the unspent balance of grants received during the period for specific purposes.

The Other Restricted Funds represent general funds which remain unspent, but are earmarked for particular purposes.

The Restricted Fixed Asset Fund represents the net book value of fixed assets (£42k) plus the unspent element of Capital funds (£27k). When assets are purchased the fund is increased and depreciation charges reduce the fund.

Unrestricted General Funds represent balances held at the period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 15 Funds

#### Movements in funds - previous year

	Balance at 20 July 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
<b>Restricted general funds</b>					
General Annual Grant	-	1,984	(1,986)	(7)	(9)
Start up grants	-	69	(69)	-	-
Other DfE / ESFA grants	-	39	(36)	-	3
Other government grants	-	114	(114)	-	-
Pupil premium	-	139	(137)	-	2
Other restricted funds	-	109	(98)	-	11
	<u>-</u>	<u>2,454</u>	<u>(2,440)</u>	<u>(7)</u>	<u>7</u>
Funds excluding pensions	-	2,454	(2,440)	(7)	7
Pension reserve	-	-	(1,218)	(442)	(1,660)
	<u>-</u>	<u>2,454</u>	<u>(3,658)</u>	<u>(449)</u>	<u>(1,653)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	-	55	(11)	-	44
DfE / ESFA capital grants	-	20	-	-	20
Capital expenditure from GAG and other funds	-	-	(2)	7	5
	<u>-</u>	<u>75</u>	<u>(13)</u>	<u>7</u>	<u>69</u>
<b>Total restricted funds</b>	<u>-</u>	<u>2,529</u>	<u>(3,671)</u>	<u>(442)</u>	<u>(1,584)</u>
<b>Unrestricted funds</b>					
General funds	-	134	(117)	-	17
	<u>-</u>	<u>134</u>	<u>(117)</u>	<u>-</u>	<u>17</u>
<b>Total funds</b>	<u>-</u>	<u>2,663</u>	<u>(3,788)</u>	<u>(442)</u>	<u>(1,567)</u>

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 15 Funds

#### Total funds analysis by academy

	Total £'000
Fund balances at 31 August 2017 were allocated as follows:	
St Mary's Catholic Junior School	39
St Mary's Catholic Infant School	26
	<hr/>
Total before fixed assets fund and pension reserve	65
Restricted fixed asset fund	69
Pension reserve	(1,572)
	<hr/>
Total funds	(1,438)
	<hr/>

#### Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
St Mary's Catholic Junior School	799	275	85	140	1,299
St Mary's Catholic Infant School	721	261	65	150	1,197
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,520	536	150	290	2,496
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

#### Funds analysis by academy - previous year

	Total 2016 £'000
Fund balances at 31 August 2016 were allocated as follows:	
St Mary's Catholic Junior School	25
St Mary's Catholic Infant School	(1)
	<hr/>
Total before fixed assets fund and pension reserve	24
Restricted fixed asset fund	69
Pension reserve	(1,660)
	<hr/>
Total funds	(1,567)
	<hr/>

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 15 Funds

#### Total cost analysis by academy - previous year

Expenditure incurred by each academy during the previous year was as follows:

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2016
	£'000	£'000	£'000	£'000	£'000
St Mary's Catholic Junior School	879	227	75	177	1,358
St Mary's Catholic Infant School	754	259	79	191	1,283
	<u>1,633</u>	<u>486</u>	<u>154</u>	<u>368</u>	<u>2,641</u>

### 16 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total
	£'000	General	Fixed asset	2017
	£'000	£'000	£'000	£'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	42	42
Current assets	14	304	27	345
Creditors falling due within one year	-	(253)	-	(253)
Defined benefit pension liability	-	(1,572)	-	(1,572)
	<u>14</u>	<u>(1,521)</u>	<u>69</u>	<u>(1,438)</u>

	Unrestricted Funds	Restricted funds:		Total
	£'000	General	Fixed asset	2016
	£'000	£'000	£'000	£'000
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	49	49
Current assets	17	224	20	261
Creditors falling due within one year	-	(217)	-	(217)
Defined benefit pension liability	-	(1,660)	-	(1,660)
	<u>17</u>	<u>(1,653)</u>	<u>69</u>	<u>(1,567)</u>

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £99k (2016: £79k) were payable to the schemes at 31 August 2017 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The employer's pension costs paid to the TPS in the period amounted to £135k (2016: £148k).



# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 17 Pensions and similar obligations

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are a range from 18.5% to 19.1% for employers (plus annual lump sum payments of £50k per annum) and a range from 5.5% to 12.5% for employees.

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

<b>Total contributions made</b>	<b>2017 £'000</b>	<b>2016 £'000</b>
Employer's contributions	191	124
Employees' contributions	36	34
	<hr/>	<hr/>
Total contributions	227	158
	<hr/>	<hr/>

<b>Principal actuarial assumptions</b>	<b>2017 %</b>	<b>2016 %</b>
Rate of increases in salaries	2.90	3.10
Rate of increase for pensions in payment	2.40	2.10
Discount rate	2.50	2.10
CPI	2.40	2.1
RPI	3.40	3.1
	<hr/>	<hr/>

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

	<b>2017 Years</b>	<b>2016 Years</b>
Retiring today		
- Males	22.3	22.3
- Females	24.4	24.4
Retiring in 20 years		
- Males	24.0	24.4
- Females	26.2	26.7
	<hr/>	<hr/>

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 17 Pensions and similar obligations

##### Sensitivity Analysis

Scheme liabilities have been valued at £2,057k. The measurement of these liabilities would change in the event that key assumptions underlying their valuation changed.

If the discount rate were to decrease by 0.5%, liabilities would be measured at £2,324k.

If the salaries rate were to increase by 0.5%, liabilities would be measured at £2,119k.

If the pension rate were to increase by 0.5%, liabilities would be measured at £2,256k.

The Academy Trust's share of the assets in the scheme	2017 Fair value £'000	2016 Fair value £'000
Equities	335	122
Other Bonds	82	36
Cash	15	-
Property	53	16
Total market value of assets	485	174
Actual return on scheme assets - gain/(loss)	88	16
Amounts recognised in the statement of financial activities	2017 £'000	2016 £'000
Current service cost	263	155
Interest income	(6)	(3)
Interest cost	42	47
Total operating charge	299	199
Changes in the present value of defined benefit obligations	2017 £'000	2016 £'000
Obligations at 1 September 2016	1,834	-
Obligations acquired on conversion	-	1,143
Current service cost	263	155
Interest cost	42	47
Employee contributions	36	34
Actuarial (gain)/loss	(114)	455
Benefits paid	(4)	-
At 31 August 2017	2,057	1,834

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Pensions and similar obligations

#### Changes in the fair value of the Academy Trust's share of scheme assets

	2017 £'000	2016 £'000
Assets at 1 September 2016	174	-
Interest income	6	3
Actuarial gain	82	13
Employer contributions	191	124
Employee contributions	36	34
Benefits paid	(4)	-
At 31 August 2017	485	174
Total pension scheme liabilities / obligations	(2,057)	(1,834)
Total pension scheme assets	485	174
<b>Net Defined Benefit Pension liability</b>	<b>(1,572)</b>	<b>(1,660)</b>

### 18 Reconciliation of net expenditure to net cash flows from operating activities

	2017 £'000	2016 £'000
Net expenditure for the reporting period	(67)	(1,125)
Adjusted for:		
Net deficit on conversion to academy	-	945
Capital grants from DfE/ESFA and other capital income	(13)	(20)
Defined benefit pension costs less contributions payable	72	31
Defined benefit pension net finance cost	36	44
Depreciation of tangible fixed assets	14	13
(Increase) in debtors	(15)	(72)
Increase in creditors	36	217
<b>Net cash provided by operating activities</b>	<b>63</b>	<b>33</b>

# ST MARY'S CATHOLIC PRIMARY SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 19 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £'000	2016 £'000
Amounts due within one year	6	8
Amounts due in two and five years	6	16
	<u>12</u>	<u>24</u>

#### 20 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

During the year the trust purchased education consultancy services from Mr Neil Farmer a trustee, totalling £2,400 (2016: £4,000). No amounts were outstanding at the end of the year.

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2016.

#### 21 Members' liability

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