

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL

(A company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 - 11
Governance statement	12 - 16
Statement on regularity, propriety and compliance	17
Statement of Trustees' responsibilities	18
Independent auditors' report on the financial statements	19 - 21
Independent reporting accountant's assurance report on regularity	22 - 23
Statement of financial activities incorporating income and expenditure account	24
Balance sheet	25
Statement of cash flows	26
Notes to the financial statements	27 - 50

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	C Lees R Higgins (Salisbury Diocesan Board of Education) M Homer A Hazel (Bournemouth Septenary Trust) D Tidd
Trustees	M Homer, Chair of Trustees S Adeney, Vice Chair C Burn, Head Teacher V Biles R Higgins S Matthews P Simpson (resigned 5 March 2018) A Smith J Watkin P Whittle D Tidd E Howell (appointed 12 October 2017) L McGaw (appointed 12 July 2018)
Company registered number	09875389
Company name	St Mark's Church Of England Primary School
Principal and registered office	Talbot Village Bournemouth Dorset BH10 4JA
Accounting officer	C Burn
Senior management team	C Burn, Headteacher A Bright, Deputy Head M Lawson, School Business Manager (resigned 30 June 2018)
Independent auditors	Griffin Chartered Accountants 165 High Street Honiton Devon EX14 1LQ

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law. For the purposes of the organisational structure, the term Governor is used throughout this report. The trust operates an academy for pupils aged 4 to 11 serving a catchment area in Bournemouth and the locality. It has a pupil capacity of 420 and had a roll of 419 in the school census on May 2018.

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. CONSTITUTION

The academy trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Governors act as trustees for the charitable activities and also the directors of the academy trust for the purpose of company law.

The academy trust is known as St Mark's Church of England Primary School and is part of the umbrella of Bournemouth Septenary Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. MEMBERS' LIABILITY

Each member of the academy trust 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.

c. TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the trust has insurance in place to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of this indemnity is £10,000,000 and this cover is provided as part of the Risk Protection Arrangement offered by the Education and Skills Funding Agency (ESFA).

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Governors shall be appointed or elected, as the case may be, as set out in the Academy Trust's Article of Association and Funding Agreement.

The Headteacher shall be treated for all purposes as being an ex officio Governor.

The Parent Governor(s) shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when they are elected. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested, shall be held by secret ballot. Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical, to ensure that every person who is known to them to be a parent of a registered pupil at the Academy, is informed of the vacancy and that it is required to be filled by election, and given the opportunity to do so. The number of Parent Governors required, shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The Staff Governors shall be elected by staff members at the Academy. A Staff Governor must be a staff member at the time when he/she is elected. If a Staff Governor ceases to be a staff member then he/she shall be deemed to have resigned and shall cease to be a Governor. The Governors shall make all necessary arrangements for, and determine all other matters relating to, an election of the Staff Governors, including any question of whether a person is a staff member. Any election of Staff Governors which is contested shall be held by secret ballot. Governors shall be appointed or elected, as the case may be, as set out in the Academy Trust's Articles of Association and Funding Agreement.

Foundation Governors and Foundation Parent Governors are appointed through the Church/Diocese and Talbot Village Trust on an as and when basis. Foundation governors have a particular purpose to safeguard the character of the school and ensure it is conducted in accordance with any founding documents, but otherwise every governor's role is to govern the school in the best interest of pupils, not to represent the interests of the constituency from which they were elected or appointed.

Governors are appointed for a four year period. The exception to this is the Headteacher, to whom the time limit does not apply. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected.

When co-opting new Governors, the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Governors undergo an induction and mentoring process. The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Governors have access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

f. ORGANISATIONAL STRUCTURE

St Mark's Church of England Primary School has a Governing Body, the composition of which is set out in the Academy's Articles of Association. The Academy has five main Governor Committees: Curriculum, Staffing, Premises H&S, Finance and Admissions to which Governors are appointed. The chair of each of these committees forms the members of the Standing committee. The Academy will also call on members of the Governing Body to sit on a Staff Dismissals Committee and Staff Dismissals Appeal Committee and a Pay and Salaries committee on an ad hoc basis should the committee be required. The Board of Governors normally meets at least five times every academic year. The Governing Body and its committees have Terms of Reference which are reviewed annually and contain details of compositions, responsibilities, delegated authorities and matters reserved for the Governing Body itself. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The following decisions are reserved to the Board of Governors:

- to consider any proposals for changes to the status or constitution of the Academy and its committee structure
- to appoint or remove the Chairman and/or Vice Chairman
- to appoint the Headteacher and clerk to the Governors
- to approve the School Improvement Plan
- to approve the budget and variations to budget over £20,000
- to authorise expenditure/orders over £50,000 (excluding payroll)

The Trustees and Board of Governors have devolved responsibility for the day-to-day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises of: The Headteacher, the Deputy Headteacher, the School Business Manager, the SENCo and the Phase Leader of each of the three phases in the school – Rec & Y1, Y2&3 and Y4, 5 & 6. Their roles and responsibilities are reviewed annually by the Governing Body as part of the School Improvement plan. This was last completed in September 2018. The SLT implement the policies laid down by the Governors and reports back to them on performance. Our most recent Ofsted rated the school outstanding in Leadership and Management. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for senior teaching posts always include a Governor.

The Headteacher is the Accounting officer.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Pay and remuneration of key management personnel is set by the Pay and Salaries Committee – see terms of reference (further detail available in the St Mark's Financial Procedures Document).

Pay & Salaries Committee Terms of Reference

The Committee's decisions and use of its delegated responsibilities and powers support the SIP (School Improvement Plan).

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Committee has delegated responsibilities as follows:

- The Pay Committee has delegated powers to implement the Pay Policy for all school staff on behalf of the Governing Body to which it reports action taken.
- To ensure decisions on teachers' pay are communicated in writing by the Headteacher in accordance with the School Teachers' Pay and Conditions Document and by the Chairman of Governors, in writing, for the Headteacher.
- To consult school-based representatives of the teacher and support staff unions/associations on the Policy and its implementation.

The Committee has delegated powers as follows:

- To develop and keep under review the Pay Policy for the whole school, including the use of discretionary pay provisions, and keep up to date with developments relating to staff pay with the necessary information being supplied by the Headteacher.
- To apply the aims of the Pay Policy in a fair and effective manner.
- To ensure that the Headteacher or Deputy Headteacher apply the criteria set out in the Pay Policy in determining the pay of each member of staff at the annual review.
- To maintain all statutory and contractual obligations especially those related to race, sex, disability, discrimination and equal pay.

h. TRADE UNION FACILITY TIME

During the year ended 31 August 2018, no employees of the Academy Trust were relevant union officials.

i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

St Mark's CE Primary School is part of the Bournemouth Septenary Trust with 6 other local primary schools, namely Kingsleigh Primary School, Kinson Primary School, Moordown St John's CE Primary School, Muscliff Community School, St. Michael's CE Primary School and Winton Primary School.

All seven schools have their unique ethos and are all striving to promote and secure outstanding school improvement and raise standards for the children in their schools. Each member school has recognised the value in coming together as a group of schools. The Bournemouth Septenary Trust promotes collaboration and the sharing of ideas. This works to strengthen each individual school through mutual respect and team work. Our shared vision enables our school staff to work together for staff inset and training. There are opportunities for professional challenge across the schools. The Trust encourages Governing Bodies to share ideas for school improvement. More importantly the Trust benefits our children through outreach projects. Across the seven schools there are opportunities for our children to work together in topic work and other activities. The Trust also benefits from economies of scale for purchasing and training.

Further information is available on the Bournemouth Septenary Trust website.

Objectives and Activities

a. OBJECTS AND AIMS

The Governors confirm that they have complied with their duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties and in setting our objectives and planning our activities. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Our vision statement is:

'Achievement, respect and care in a happy Christian community'.

Our values are:

Spirituality - Creativity - Perseverance - Thinking - Working Together – Independence

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

As a Church of England school, Gospel values also support every aspect of the life of the school. Children say 'Grace' before lunch and will end the day with a prayer. Children participate in an act of worship every day. Whole School worship takes place on a Monday and Thursday. Lower/Upper school singing worship takes place on a Tuesday/Wednesday and on the other day each class has class worship. Friday is a Phase Celebration worship.

Building Learning Power is about helping young people to become better learners, both in school and out. It is about creating a culture in classrooms - and in the school more widely - that systematically cultivates habits and attitudes that enable young people to face difficulty and uncertainty calmly, confidently and creatively.

Evidence shows that pupils who are more confident of their own learning ability learn faster and learn better. They concentrate more, think harder and find learning more enjoyable. They do better in their tests and external examinations. We believe this initiative will encourage our children to take further ownership of their learning and behaviour in lessons whilst at St Mark's and will help them become even better equipped for the challenges they face after they have left us.

As a school, and as one of our Ofsted targets from our 2013 inspection, we are passionate about increasing the independence of our learners so that they can take their own learning forward. We want them to be equipped with strategies to help them make choices and try new approaches which do not always include going straight to a teacher for help. We have enlisted the help and support of schools which have already successfully used Building Learning Power, and by including the children and whole staff in every decision made, we have renewed our commitment to our core Values. We expect that children will be using some or all of them in every lesson.

We have begun likening the brain to a muscle that needs training in order to develop, and using our Values stretches and builds different aspects of it. The Lower School ran a competition to design characters for the Values and the winning entries have been incorporated into our Values posters around the school.

We are also encouraging the children to think of different ways they can overcome being "stuck" and trying at least 3 of these strategies before they ask a teacher for help. Key Stage 2 have been looking at some of the vocabulary which describes successful learning behaviour and these will now form part of their Signs of Success in lessons.

Key Stage 2 vocabulary includes:

- 'noticing'
- 'empathy and listening'
- 'imagining'
- 'making links'
- 'reasoning'
- 'questioning'
- 'perseverance'
- 'revising'
- 'planning'
- 'managing distractions'

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Legal framework

The characteristics of the Academy as set down in section 482 (2) of the Education Act 1996, substituted by the Education Act 2002, are that the school: should have a broad curriculum with an emphasis on a particular subject area, or particular subject areas, specified in the Funding Agreement; and, should provide education for pupils and who are wholly or mainly drawn from the area in which the school is situated.

In order to strengthen and enrich the community of the school all children should have a fair and equal chance to participate in all the activities of the school and should ideally live within the vicinity. The Governing Body will provide the strategic vision for the school independent of any personal interest and hold the school accountable for the enactment of the vision.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The school's leaders are relentless and uncompromising in their pursuit of excellence, striving to continually improve the already high levels of academic achievement. The school's leaders and governors evaluate its effectiveness well and consequently have a good understanding of the school's strengths, but can also identify where improvements are needed. Any identified shortcomings are addressed with determination. There is a strong focus on continually improving teaching and learning and to provide all staff with good training to enhance their professional effectiveness and increase the school's capacity to bring about further improvement. Arrangements for the appraisal of teaching staff is rigorous and highly effective in impacting on pupils' achievement. The school has in place structures to ensure that its work is evaluated at all levels, and that plans are implemented to consolidate success and secure further improvement. Clear lines of responsibility and monitoring exist to ensure that targets are met and that any intervention is timely. The analysis of assessment data and systematic lesson observations are used to identify areas of concern, with targeted observations used to tackle areas of underperformance.

Improving line management, targeted support and underperforming staff, and the effective application of the appraisal policy have been instrumental in raising the quality of teaching. The quality of leadership and management at all levels across all areas of the school's work is good, and is improving further.

A broad and balanced curriculum meets the pupils' needs extremely well, promoting and sustaining their thirst for knowledge and love of learning. The volume of extra-curricular activities ensures that the interests and talents of the pupils are met. The school's curriculum, ethos and expectations promote pupil's outstanding spiritual, moral, social and cultural development and also fundamental British values. Numerous trips provide good opportunities to experience and learn about different interests. The thoughtfully planned curriculum ensures that pupils of all ages are encouraged to lead safe and healthy lives.

The experienced and knowledgeable governing body effectively undertakes its statutory duties. Governors manage the school's finances very well, ensuring that the funding is spent wisely and contributes to improving pupil outcomes. Staff and resources are deployed efficiently to benefit all groups of pupils. Governors are highly supportive of the Headteacher and all the staff, but they are resolute in holding leaders to account. Governors act to improve their knowledge and understanding through actively engaging in training and spending time in school.

The school's key priorities identified in the School Improvement Plan are:

- To embed opportunities for teaching and assessment of mastery/greater depth in English and Maths.
- To ensure the progress of Pupil Premium children.
- To ensure the progress of SEND pupils and other vulnerable groups in relation to national expectations and their peers.
- To improve writing progress across the school
- To be successful at next inspection.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- For Governors to develop their understanding of the school's vision and values.
- To complete a workload time audit for staff / review directed time budget.
- To strategically expand sport coaching in line with new funding.
- To develop/renew the swimming pool facilities.
- To be 'ready' for our SIAMS inspection
- To ensure that appropriately differentiated opportunities are planned for all learners.
- To implement new marking policy in RE.
- To share the curriculum map for R.E.
- To expand the scope of ½ termly review of attainment and progress on SPTO.
- To investigate different methods to teach spelling.
- To develop a whole school shared understanding of spirituality.
- To ensure that the children and parents have a clear understanding of our behaviour policy.
- To embed the use of My Concern to record, track and monitor safeguarding concerns.

c. PUBLIC BENEFIT

The trustees confirm they have complied with duty in Section (5) of the Charities Act 2011 to have due regard to the Charities Commission's general guidance on public benefit in exercising their powers of duties.

Strategic report

Achievements and performance

a. KEY PERFORMANCE INDICATORS

The school had both an Ofsted Inspection and Statutory Inspection of Anglican and Methodist Schools (SIAMS) in March 2018.

The Ofsted inspection rated the school as good, recognising the continued development the good quality of teaching and learning since the school converted to become an academy. The inspector identified a strong culture of safeguarding in the school and pupils who are keen learners that work diligently in their lessons.

The SIAMS inspection graded the distinctiveness and effectiveness of St Mark's as a Church of England school as outstanding. The report stated that:

1. The school has a very effective partnership with the local church which it uses extensively to enrich its distinctive Christian ethos.
2. The extensive nurturing given to pupils and the support they receive from all staff, ensures that the wellbeing of pupils is of the highest priority.
3. The vision of the school, with its emphasis upon values, shapes the personal and spiritual development of pupils.

Based on the May 2018 census date, the proportion of pupils known to be eligible for free school meals is 5.7%, and the proportion of disabled pupils and those with special educational needs is high at 11.9%. 7.2% of pupils have a first language which is not believed to be English. Attendance at the school is 96.4%.

We are very pleased with the school attainment at swimming, with 93% of Key Stage 2 students (at January 2018) already reaching the Year 6 standard of being able to swim 25m.

The most recent inspection outcomes and attainment profile can be found on our website at:
www.st-marks.bournemouth.sch.uk/

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

b. GOING CONCERN

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

Financial review

Most of the academy's income is obtained from the Department for Education (DfE) via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset fund balance is reduced by annual depreciation charges over the useful economic life of the assets concerned, as defined in the academy's accounting policies.

During the 12 months to 31 August 2018, the academy received total income of £1,802,092 and incurred total expenditure of £2,074,402. As at 31 August the funds brought forward were £317,899 unrestricted funds. The funds carried forward as unspent were £237,642 of unrestricted funds. Therefore, there was a surplus in the year of £80,257.

The academy has a deficit in the Local Government Pension Scheme in respect of its non teaching staff. The deficit is incorporated within the statement of Financial Activity with details in Note 21.

Key financial policies adopted in the year include the Financial Procedures and Scheme of Delegation, which sets out the framework for financial management, including financial responsibilities of the board, headteacher, senior leadership team and other staff, as well as delegated authority for spending. Other policies reviewed and updated where necessary included the reserves policy.

a. RESERVES POLICY

It is the Trust's view that there should be reserves to support St Mark's to achieve their outcomes for today's children and not hold reserves unnecessarily. The governors review the reserve levels of the Academy annually.

The governors require St Mark's to work towards a reserve of one months' staffing cost. This, they believe, will give the school a working capital buffer and the ability to make decisions that meet the outcomes for the pupils both in the short term and longer term. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be approximately £150,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or to maintain staffing levels in the event of a reduction in funding. The Academy current levels of reserves is £237,642

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

b. PRINCIPAL RISKS AND UNCERTAINTIES

The governors consider the accuracy and appropriateness of the risk policy and register as part of its audit deliberations each year. The principal risks and uncertainties identified by the governors are categorised into Reputational, Safety, Safeguarding, Organisational, Educational, Personnel and Financial. The risks are reviewed at the Finance Committee.

The school successfully fundraised for the first stage of the swimming pool renovation, but further funding will need to be sought for the second stage in 2019.

Fundraising

The majority of income to St Mark's Church of England Primary School comes directly from the Department of Education and Bournemouth Borough Council. The school does accept donations from the St Marks SPA, which fundraises on behalf of the school. The school is aware of the Charity fundraising: a guide to trustee duties (CC20), and the responsibilities of the school to plan, supervise, and ensure accountability and compliance any fundraising being undertaken on behalf of the school. Any large purchases made by the SPA is completed through the school, following the Academy Financial Handbook purchasing rules.

Plans for future periods

a. FUTURE DEVELOPMENTS

The purpose of St Mark's Church of England Primary School is to provide an outstanding education, helping all pupils to access a learning environment that is fulfilling, exciting and challenging. This will help prepare them for senior school and our aim is to assist the pupils in being "well-rounded" children. In order to achieve the academic standards necessary, the school will have an integrated and connected outstanding teaching and learning programme from the outset.

The school will support extra-curricular activities, residential visits and other clubs to build skills, leadership and confidence. These activities will form an integral part of the school and will be offered to all children.

The school will continue to improve the swimming pool facilities to ensure the school can maintain the high level of swimming education that the school can offer children across the school.

FUNDS HELD AS CUSTODIAN

No funds are held as custodian on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

AUDITORS

The auditors, Griffin, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6 December 2018 and signed on its behalf by:



M Homer
Chair of Trustees

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Mark's Church of England Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

The directors have devolved responsibility for the day to day management of the Academy to the Head teacher, assistant head teacher, finance manager and Admin and personnel. The SLT implements the policies laid down by the directors and report back to them on performance.

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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
M Homer, Chair of Trustees	4	5
S Adeney, Vice Chair	5	5
C Burn, Head Teacher	5	5
V Biles	4	5
R Higgins	3	5
S Matthews	4	5
P Simpson	2	3
A Smith	5	5
J Watkin	4	5
P Whittle	5	5
D Tidd	4	5
E Howell	5	5
L McGaw	0	0

Upon incorporation, the existing governors of the school were appointed as directors of St Mark's Church of England Primary School. The composition of the board is as per Articles 48 and 49 of the Articles of Association of the Trust.

St Mark's C.E. Primary School is part of the Bournemouth Septenary (umbrella) Trust. It uses collaborative working within the seven schools in the Trust to support the sharing of ideas and development of children and staff.

The board devolve responsibility for monitoring, evaluation and approval of most statutory duties to six working sub committees made up of directors with members of the school Senior Leadership Team invited to attend where necessary. These sub-committees are structures of the organisation and ensure sufficient and robust oversight of key priorities. The working sub-committees are: Curriculum, Staffing, Admissions, Premises, Finance and Standing.

During the past 12 months Mr P Simpson resigned from the Board of Trustees, and Mrs E Howell and Mrs L McGaw have joined.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The academy considers annually its governance arrangements to ensure the effectiveness of the board. The Board of Trustees is provided with a wide range of information, including exam results, pupil progress, attendance information, financial statements and pupil demographics. The Board has been able to use this information to effectively plan strategies, and the school has been able to provide additional information where this is required.

When the school was inspected by Ofsted in March 2018 they noted that the school and governors have a deep and accurate picture of where the school's priorities for improvement lie, and that governors fulfil their safeguarding responsibilities effectively and carry out regular checks on the school's safeguarding arrangement. Areas for improvement have been added to the School Improvement Plan following this and the SIAMS inspection – managing attendance was raised and this is now a standing item on the Curriculum sub-committee agenda. The governors were also fully involved in discussions regarding the structure of the Bournemouth Septenary Trust throughout the year.

The Finance Committee is a sub-committee of the main board of trustees and has a good understanding of the Academy's finances. Its remit is to ensure sound management of the Trust's finances and resources enabling financial resilience and sustainability that assures the future of the Academy. Its purpose is to:

- Review, question and monitor the annual budget in detail and where necessary make recommendations to the board
- Review the Academy's internal and external financial statements and reports to ensure that they reflect best practice
- Consider all relevant reports by the school business manager or the appointed external auditor, including reports on the Academy's accounts, achievement of value for money and the response to any management letters keeping the board informed
- Review the effectiveness of the Academy's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic and effective manner
- Review any report from the school business manager in relation to the operation of the Academy premises, maintenance and related matters including financial planning and oversight of any capital projects
- Review the recommendations of the head teacher as to salaries particularly any discretionary awards and if necessary relay said recommendations to the board
- Review the operation of the Academy's code of practice for governor members and code of conduct for staff
- To approve the investments policy to manage, control and track financial exposure, and ensure value for money, to review the trust's investments and investment policy on a regular basis
- To consider bids for additional funding.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M Homer, Chair of Trustees	4	4
C Burn, Head Teacher	4	4
S Matthews	4	4
P Simpson	1	2
P Whittle	4	4
D Tidd	3	4

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The academy considers annually its governance arrangements to ensure the effectiveness of the board of trustees. The review includes consideration of the composition of the board, membership of committees and their terms of reference. It also looks to identify any skill gaps where the recruitment of new trustees would be beneficial. Board members have recently completed a skills audit and as a result of this audit the governing body development plan is currently being updated and relevant governor training being organised.

REVIEW OF VALUE FOR MONEY

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

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

As part of a Local Collaborative Trust, the Bournemouth Septenary Trust (BST), an Umbrella Academy Trust agreement exists between Muscliff Community Primary School, St Mark's CE Primary School, St Michael's CE Primary School, Moordown St. John's CE Primary School, Kinson Primary School, Winton Primary School and Kingsleigh Primary School. The vision for the Umbrella Trust is "Excellence, Equity and Effectiveness" and "Outstanding Together".

The Septenary Business Managers (SBMs) are, as a group, supportive of each other in achieving value for money and economies of scale for each of the Trust's School. SBMs have taken responsibility on Aim 4 of the Trust's Business Plan which deals with Finance and Probity. They identify, discuss and negotiate best possible value for all school purchases, including contracts, SLA's and resources.

The Septenary schools support each other in tie of need where there is a gap, which the school has benefited from during 2017/18. This ensured that expert advice was available at the school when there was a gap, and key processes and returns were able to be delivered.

The school has delivered savings by purchasing software (safeguarding, accounting, budgeting), support (IT), services (training) and goods (stationery) through joined up purchases with the BST.

Assessment and monitoring processes are continually being reviewed and developed to ensure data is used to inform planning and inform planning. Additional specialist staff are employed in the curriculum areas of PE to ensure high quality delivery. Teaching Assistants are used to effectively support class teachers deliver quality teaching, and to implement required intervention programmes. These include 1:1 support in classes and intervention programmes.

The Academy operates a financial control system supported by the external auditors Griffin Chartered Accountants who provide support through the year on compliance and accounting practices and current legislation.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mark's Church of England Primary School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Griffin, the external auditors, to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Purchase and cash receipts
- Payroll
- Income and cash receipts
- Fixed assets - acquisition and disposal
- Financial budgeting and monitoring
- Regularity
- Governance
- Risk management

On a semi-annual basis, the external auditors report to the board of trustees through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor delivered their schedule of work as intended and a plan is in place to address weaknesses and ensure continuous improvement.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

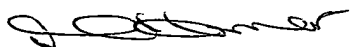
REVIEW OF EFFECTIVENESS

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:

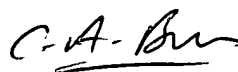
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 6 December 2018 and signed on their behalf, by:



M Homer
Chair of Trustees



C Burn
Accounting Officer

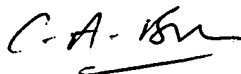
ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Mark's Church of England Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



C Burn
Accounting Officer

Date: 6 December 2018

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 6 December 2018 and signed on its behalf by:



M Homer
Chair of Trustees

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL

OPINION

We have audited the financial statements of St Mark's Church of England Primary School (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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'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 MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the 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 our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the 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 (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 Auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy'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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Misty Nickells FCA (Senior statutory auditor)

for and on behalf of

Griffin

Chartered Accountants
Statutory Auditor

165 High Street
Honiton
Devon
EX14 1LQ
6 December 2018

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST MARK'S
CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 9 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Mark's Church of England Primary School during the year 1 September 2017 to 31 August 2018 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 Mark's Church of England Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Mark's Church of England Primary School and the 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 Mark's Church of England Primary School and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of St Mark's Church of England Primary School's funding agreement with the Secretary of State for Education dated 1 December 2015, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 year 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the 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.

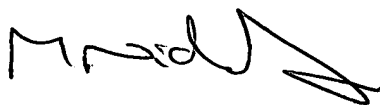
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST MARK'S
CHURCH OF ENGLAND PRIMARY SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY**
(continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Misty Nickells FCA

Griffin

Chartered Accountants
Statutory Auditor

165 High Street
Honiton
Devon
EX14 1LQ

6 December 2018

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

		Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted Fixed Asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
	Note					
INCOME FROM:						
Donations & capital grants:						
Transfer from local authority on conversion	2	-	-	-	-	25,511
Other donations and capital grants	2	68,596	-	8,691	77,287	86,758
Charitable activities	3	33,438	1,611,178	-	1,644,616	1,729,541
Other trading activities	4	79,934	-	-	79,934	93,759
Investments	5	255	-	-	255	217
TOTAL INCOME		182,223	1,611,178	8,691	1,802,092	1,935,786
EXPENDITURE ON:						
Raising funds		54,287	-	-	54,287	54,852
Charitable activities		208,193	1,765,195	46,727	2,020,115	1,894,491
TOTAL EXPENDITURE	6	262,480	1,765,195	46,727	2,074,402	1,949,343
NET BEFORE TRANSFERS		(80,257)	(154,017)	(38,036)	(272,310)	(13,557)
Transfers between Funds	16	-	7,017	(7,017)	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES		(80,257)	(147,000)	(45,053)	(272,310)	(13,557)
Actuarial gains on defined benefit pension schemes	20	-	201,000	-	201,000	120,000
NET MOVEMENT IN FUNDS		(80,257)	54,000	(45,053)	(71,310)	106,443
RECONCILIATION OF FUNDS:						
Total funds brought forward		317,899	(1,037,000)	67,987	(651,114)	(757,557)
TOTAL FUNDS CARRIED FORWARD		237,642	(983,000)	22,934	(722,424)	(651,114)

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL

(A company limited by guarantee)

REGISTERED NUMBER: 09875389

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		22,934		59,284
CURRENT ASSETS					
Debtors	14	100,202		64,185	
Cash at bank and in hand		385,184		448,697	
		<u>485,386</u>		<u>512,882</u>	
CREDITORS: amounts falling due within one year	15	(247,744)		(186,280)	
NET CURRENT ASSETS			<u>237,642</u>		<u>326,602</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>260,576</u>		<u>385,886</u>
Defined benefit pension scheme liability	20	(983,000)		(1,037,000)	
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>(722,424)</u>		<u>(651,114)</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds excluding pension liability		22,934		67,987	
Pension reserve		(983,000)		(1,037,000)	
Total restricted income funds			<u>(960,066)</u>		<u>(969,013)</u>
Unrestricted income funds	16		<u>237,642</u>		<u>317,899</u>
TOTAL DEFICIT			<u>(722,424)</u>		<u>(651,114)</u>

The financial statements on pages 24 to 50 were approved by the Trustees, and authorised for issue, on 6 December 2018 and are signed on their behalf, by:



M Homer
Chair of Trustees

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	18	(62,082)	95,497
Cash flows from investing activities:			
Dividends, interest and rents from investments		255	217
Purchase of tangible fixed assets		(10,377)	(27,458)
Capital grants from DfE Group		8,691	8,703
Capital funding received from sponsors and others		-	2,499
Net cash used in investing activities		(1,431)	(16,039)
Transferred on conversion to an academy:			
Cash transferred on conversion		-	25,511
Net cash provided by financing activities		-	25,511
Change in cash and cash equivalents in the year		(63,513)	104,969
Cash and cash equivalents brought forward		448,697	343,728
Cash and cash equivalents carried forward	19	385,184	448,697

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Mark's Church of England Primary School constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy 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 Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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 allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of 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.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Furniture and fixtures	-	5 years
Computer equipment	-	3 years

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 incorporating income and expenditure account.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities and provisions 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 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.11 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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 as detailed in note 14. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. 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 costs as detailed in note 15. 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

The academy 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 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.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 20, 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 recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2018. 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 judgment:

The academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted Fixed Asset funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Transfer from local authority on conversion	-	-	-	-	25,511
Subtotal detailed disclosure	-	-	-	-	25,511
Donations	43,848	-	-	43,848	48,019
Capital Grants	-	-	8,691	8,691	8,703
School trips income	24,748	-	-	24,748	30,036
Subtotal	68,596	-	8,691	77,287	86,758
	68,596	-	8,691	77,287	112,269
<i>Total 2017</i>	100,808	259	11,202	112,269	

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	1,361,360	1,361,360	1,409,097
Other DfE/ESFA Grants	-	175,444	175,444	164,515
	-	1,536,804	1,536,804	1,573,612
Other government grants				
Special Educational Needs	-	68,374	68,374	112,877
Other government grants non capital	1,660	6,000	7,660	18,900
	1,660	74,374	76,034	131,777
Other funding				
Other income from academy's educational operations	31,778	-	31,778	24,152
	31,778	-	31,778	24,152
	33,438	1,611,178	1,644,616	1,729,541
Total 2017	27,052	1,702,489	1,729,541	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	15,614	-	15,614	17,741
Other	64,320	-	64,320	76,018
	79,934	-	79,934	93,759
Total 2017	93,759	-	93,759	

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	255	-	255	217
<i>Total 2017</i>	<u>217</u>	<u>-</u>	<u>217</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income	-	-	33,460	33,460	30,531
Expenditure on fundraising trading	20,505	-	322	20,827	24,321
Education:					
Direct costs	1,268,018	-	115,367	1,383,385	1,347,425
Support costs	353,294	149,509	133,927	636,730	547,066
	<u>1,641,817</u>	<u>149,509</u>	<u>283,076</u>	<u>2,074,402</u>	<u>1,949,343</u>
<i>Total 2017</i>	<u>1,637,575</u>	<u>55,469</u>	<u>256,299</u>	<u>1,949,343</u>	

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. CHARITABLE ACTIVITIES

	Total funds 2018 £	Total funds 2017 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	1,018,416	1,005,664
National insurance	76,143	70,338
Pension cost	173,459	166,308
Depreciation	39,492	35,940
Educational supplies	28,333	22,910
Staff development	7,987	4,927
Other costs	31,780	35,197
Supply teachers	-	1,491
Technology costs	7,775	4,650
	1,383,385	1,347,425
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	191,434	209,613
National insurance	8,276	9,928
Pension cost	153,584	152,968
Depreciation	7,235	7,328
Pension income	26,000	21,000
Other costs	846	1,785
Maintenance of premises and equipment	111,095	21,475
Cleaning	5,671	5,857
Rent and rates	11,813	13,548
Heat and light	20,930	14,589
Insurance	8,707	9,599
Security and transport	3,472	3,930
Catering	28,026	29,106
Technology costs	12,538	12,646
Office overheads	19,920	13,689
Legal and professional	20,403	13,544
Bank interest and charges	1,166	818
Governance costs	5,614	5,643
	636,730	547,066
	2,020,115	1,894,491

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	46,727	43,268
Auditors' remuneration - audit	2,800	2,800
Auditors' remuneration - other services	1,971	1,600
Operating lease rentals	-	1,637
	<hr/> <hr/>	<hr/> <hr/>

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,229,628	1,236,206
Social security costs	85,146	80,602
Operating costs of defined benefit pension schemes	327,043	319,276
	<u>1,641,817</u>	<u>1,636,084</u>
Agency staff costs	-	1,491
	<u><u>1,641,817</u></u>	<u><u>1,637,575</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	15	55
Administration and support	60	37
Management	7	7
	<u>82</u>	<u>99</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	12	33
Administration and support	29	11
Management	6	3
	<u>47</u>	<u>47</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	1	1

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

9. STAFF COSTS (continued)

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £347,353 (2017: £370,533).

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
C Burns (Head & Trustee)	Remuneration	70,000-75,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000
V Biles	Remuneration	10,000-15,000	10,000-15,000
	Pension contributions paid	0-5,000	0-5,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL to no Trustees).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the trust has insurance in place to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The limit of this indemnity is £10,000,000 and this cover is provided as part of the Risk Protection Arrangement offered by the Education and Skills Funding Agency.

12. OTHER FINANCE INCOME

	2018 £	2017 £
Interest income on pension scheme assets	22,000	16,000
Interest on pension scheme liabilities	(48,000)	(37,000)
	<u>(26,000)</u>	<u>(21,000)</u>

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

13. TANGIBLE FIXED ASSETS

	Furniture and fixtures £	Computer equipment £	Total £
Cost			
At 1 September 2017	76,605	71,220	147,825
Additions	-	10,377	10,377
At 31 August 2018	<u>76,605</u>	<u>81,597</u>	<u>158,202</u>
Depreciation			
At 1 September 2017	38,677	49,864	88,541
Charge for the year	18,042	28,685	46,727
At 31 August 2018	<u>56,719</u>	<u>78,549</u>	<u>135,268</u>
Net book value			
At 31 August 2018	<u>19,886</u>	<u>3,048</u>	<u>22,934</u>
At 31 August 2017	<u>37,928</u>	<u>21,356</u>	<u>59,284</u>

St Mark's Church of England Primary School has been granted use of the school buildings from The Diocese of Salisbury and the Talbot Village Trust, under a supplemental agreement that does not require the school to pay rent. This agreement includes a two year notice period. The land and buildings have not been recognised as assets of the academy on the basis that the academy trust's rights over the premises do not meet the definition of an asset, as it does not have control over access or works. Whilst the church allows the academy trust access to the premises, it can revoke this at any time subject to a two year notice period. In addition the supplemental agreement states that the church is required to give consent to capital works.

14. DEBTORS

	2018 £	2017 £
Trade debtors	3,903	11,015
VAT recoverable	16,581	15,187
Other debtors	1,007	1,085
Prepayments and accrued income	78,711	36,898
	<u>100,202</u>	<u>64,185</u>

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	97,118	38,715
Other taxation and social security	20,103	19,887
Other creditors	70,701	69,241
Accruals and deferred income	59,822	58,437
	<u>247,744</u>	<u>186,280</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	44,271	41,170
Resources deferred during the year	55,726	44,271
Amounts released from previous years	(44,271)	(41,170)
Deferred income at 31 August 2018	<u>55,726</u>	<u>44,271</u>

At the balance sheet date the academy was holding funds received in advance of the 2018/19 financial year.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	317,899	182,223	(262,480)	-	-	237,642
Restricted funds						
General Annual Grants (GAG)	-	1,361,360	(1,368,377)	7,017	-	-
Pupil Premium	-	74,804	(74,804)	-	-	-
Special Educational Needs	-	68,374	(68,374)	-	-	-
Universal Free School Meals	-	73,635	(73,635)	-	-	-
Other grants	-	33,005	(33,005)	-	-	-
Pension reserve	(1,037,000)	-	(147,000)	-	201,000	(983,000)
	<u>(1,037,000)</u>	<u>1,611,178</u>	<u>(1,765,195)</u>	<u>7,017</u>	<u>201,000</u>	<u>(983,000)</u>
Restricted fixed asset funds						
Transferred on conversion	29,152	-	(28,675)	-	-	477
DfE/ESFA capital grants	11,612	8,691	(6,367)	(7,017)	-	6,919
Capital expenditure from GAG	19,393	-	(9,727)	-	-	9,666
S&P donations	6,800	-	(1,700)	-	-	5,100
Capital expenditure from donations	1,030	-	(258)	-	-	772
	<u>67,987</u>	<u>8,691</u>	<u>(46,727)</u>	<u>(7,017)</u>	<u>-</u>	<u>22,934</u>
Total restricted funds	<u>(969,013)</u>	<u>1,619,869</u>	<u>(1,811,922)</u>	<u>-</u>	<u>201,000</u>	<u>(960,066)</u>
Total of funds	<u>(651,114)</u>	<u>1,802,092</u>	<u>(2,074,402)</u>	<u>-</u>	<u>201,000</u>	<u>(722,424)</u>

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. STATEMENT OF FUNDS (continued)

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

General Annual Grant (GAG)

Income from the ESFA which is to be used for the normal running costs of the academy, including education and support costs.

Pupil Premium

Funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

Special Educational Needs funding

Income received from the Local Authority to fund further support for pupils with additional needs.

Universal Infant Free School Meals

Income provided by the ESFA to fund a free school meal to every pupil in reception and years 1 and 2.

Start Up Grant

Funding received from the ESFA for the costs associated with conversion to an academy.

Other Donations

Income received from external parties for specific causes relating to the academy, including education and support costs.

Other Grants

Funding received from the ESFA or the local authority to be used for the normal running costs of the academy, including education and support costs.

Pension Reserve

The academy's share of the assets and liabilities in the Local Government Pension Scheme. This is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy.

Fixed assets transferred on conversion

This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

DfE/ESFA capital grants

Devolved Formula Capital funding from the ESFA to cover the maintenance and purchase of the academy's assets.

S&P Donations

This represents income received from S&P specifically for the purchase fixed assets.

Capital Expenditure from GAG

This represents funds transferred from the restricted GAG fund to purchase fixed assets.

Capital expenditure from Donations

This represents funds transferred from unrestricted donations to purchase fixed assets.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

16. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds	175,840	221,836	(72,489)	(7,288)	-	317,899
Restricted funds						
General Annual Grants (GAG)	-	1,409,097	(1,400,684)	(8,413)	-	-
Pupil Premium	-	75,701	(75,701)	-	-	-
Special Educational Needs	-	112,877	(112,877)	-	-	-
Universal Free School Meals	-	71,668	(71,668)	-	-	-
Start Up Grant	251	-	(251)	-	-	-
Other donations	-	259	(259)	-	-	-
Other grants	-	33,146	(33,146)	-	-	-
Pension reserve	(1,018,000)	-	(139,000)	-	120,000	(1,037,000)
	<u>(1,017,749)</u>	<u>1,702,748</u>	<u>(1,833,586)</u>	<u>(8,413)</u>	<u>120,000</u>	<u>(1,037,000)</u>
Restricted fixed asset funds						
Transferred on conversion	57,827	-	(28,675)	-	-	29,152
DfE/ESFA capital grants	5,817	8,703	(2,908)	-	-	11,612
Capital expenditure from GAG	20,708	-	(9,728)	8,413	-	19,393
S&P donations	-	2,499	(1,700)	6,000	-	6,799
Capital expenditure from donations	-	-	(257)	1,288	-	1,031
	<u>84,352</u>	<u>11,202</u>	<u>(43,268)</u>	<u>15,701</u>	<u>-</u>	<u>67,987</u>
Total restricted funds	<u>(933,397)</u>	<u>1,713,950</u>	<u>(1,876,854)</u>	<u>7,288</u>	<u>120,000</u>	<u>(969,013)</u>
Total of funds	<u>(757,557)</u>	<u>1,935,786</u>	<u>(1,949,343)</u>	<u>-</u>	<u>120,000</u>	<u>(651,114)</u>

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted Fixed Asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	22,934	22,934
Current assets	485,386	-	-	485,386
Creditors due within one year	(247,744)	-	-	(247,744)
Provisions for liabilities and charges	-	(983,000)	-	(983,000)
	<u>237,642</u>	<u>(983,000)</u>	<u>22,934</u>	<u>(722,424)</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted Fixed Asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	59,284	59,284
Current assets	504,179	-	8,703	512,882
Creditors due within one year	(186,280)	-	-	(186,280)
Provisions for liabilities and charges	-	(1,037,000)	-	(1,037,000)
	<u>317,899</u>	<u>(1,037,000)</u>	<u>67,987</u>	<u>(651,114)</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(272,310)	(13,557)
Adjustment for:		
Depreciation charges	46,727	43,268
Dividends, interest and rents from investments	(255)	(217)
Increase in debtors	(36,017)	(40,541)
Increase in creditors	61,464	4,257
Capital grants from DfE and other capital income	(8,691)	(11,202)
Defined benefit pension scheme cost less contributions payable	147,000	139,000
Net assets and liabilities from local authority on conversion	-	(25,511)
Net cash (used in)/provided by operating activities	<u>(62,082)</u>	<u>95,497</u>

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	385,184	448,697
Total	<u>385,184</u>	<u>448,697</u>

20. PENSION COMMITMENTS

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

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

Contributions amounting to £24,183 were payable to the schemes at 31 August 2018 (£23,934) 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.
- 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

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. PENSION COMMITMENTS (continued)

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £119,661 (2017 - £115,662).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £116,000 (2017 - £116,000), of which employer's contributions totalled £89,000 (2017 - £88,000) and employees' contributions totalled £27,000 (2017 - £28,000). The agreed contribution rates for future years are 17.4% for employers and 5.5-6.8% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	2.30 %	2.70 %
Rate of increase for pensions in payment / inflation	3.80 %	4.20 %
Inflation assumption (CPI)	3.80 %	4.20 %

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

	2018	2017
Retiring today		
Males	24.0	23.9
Females	26.1	26.0
Retiring in 20 years		
Males	26.3	26.2
Females	28.5	28.3

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(43,000)	1,642,000
Discount rate -0.1%	44,000	1,717,000
Mortality assumption - 1 year increase	62,000	1,722,000
Mortality assumption - 1 year decrease	(60,000)	1,637,000
CPI rate +0.1%	38,000	1,709,000
CPI rate -0.1%	(37,000)	1,807,000

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	558,000	478,000
Gilts	115,000	107,000
Corporate bonds	63,000	91,000
Debt instruments	-	-
Property	132,000	106,000
Cash and other liquid assets	8,000	21,000
Multi Asset Credit	42,000	-
Total market value of assets	918,000	803,000

The actual return on scheme assets was £19,000 (2017 - £103,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(210,000)	(206,000)
Interest income	22,000	16,000
Interest cost	(48,000)	(37,000)
Admin expenses	(1,000)	-
Total	(237,000)	(227,000)
Actual return on scheme assets	19,000	103,000

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	1,841,000	1,679,000
Current service cost	210,000	206,000
Interest cost	48,000	37,000
Employee contributions	27,000	28,000
Actuarial gains	(204,000)	(109,000)
Benefits paid	(20,000)	-
	<u>1,902,000</u>	<u>1,841,000</u>
Closing defined benefit obligation	<u>1,902,000</u>	<u>1,841,000</u>

Movements in the fair value of the academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	804,000	661,000
Interest income	22,000	16,000
Actuarial gains/(losses)	(3,000)	11,000
Employer contributions	89,000	88,000
Employee contributions	27,000	28,000
Benefits paid	(20,000)	-
Effect of non-routine settlements	(1,000)	-
	<u>918,000</u>	<u>804,000</u>
Closing fair value of scheme assets	<u>918,000</u>	<u>804,000</u>

21. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	2,101	1,637
Between 1 and 5 years	-	2,101
	<u>2,101</u>	<u>3,738</u>
Total	<u>2,101</u>	<u>3,738</u>

ST MARK'S CHURCH OF ENGLAND PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. MEMBERS' LIABILITY

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

23. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.