

St. Mary's Kenmure
Report and Financial Statements
Year Ended 31 March 2016
Charity No: SC029984
Company No: SC390523

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St. Mary's Kenmure

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St. Mary's Kenmure

Reference and Administrative Information Year Ended 31 March 2016

Directors:

Angus Gillon, Chairman
Rt Rev Mgr. Peter Canon Smith
Joseph Farrell
Margaret Greig
Terence McKee
Alan Haggerty (resigned February 2016)
Brian Mallon (resigned March 2016)
Martin Cullen (appointed March 2016)

Senior Management:

James Crawford - Head of Service
William McKeown – Depute Head of Service/Care
Gerry Sullivan – Depute Head of Service/Education

Scottish Charity Number:

SC029984

Registered Company Number:

SC390523

Registered Office:

C/o McSparran McCormick
Waterloo Chambers
19 Waterloo Street
Glasgow
G2 6AH

Principal Business Address:

St. Mary's Road
Bishopbriggs
Glasgow
G64 2EH

Solicitors:

McSparran McCormick
Solicitors
Waterloo Chambers
19 Waterloo Street
Glasgow
G2 6AH

Auditors:

John Di Mambro & Co.
Chartered Accountants
Statutory Auditors
16 Muir Street
Hamilton
ML3 6EP

Principal Bankers:

Clydesdale Bank plc
Business Banking Centre
Suite 2 Ochil House
Springkerse Business Park
Stirling FK7 7XE

St. Mary's Kenmure

Report of the Trustees Year Ended 31 March 2016

The Trustees have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2016.

Reference and Administration information

The Board of Managers, who are charity trustees for the purposes of charity law and also directors of the charity for the purposes of the Companies Act 2006, who served throughout the year and up to the date of this report are listed on page 1, together with particulars of the principal address of the charity and details of its professional advisers.

Structure, Governance and Management

Governing Document

The organisation is a charitable company limited by guarantee. The company was formed under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Recruitment and Appointment of Trustees

In accordance with the Articles of Association the first Trustees of the company shall be those persons appointed as the first directors on incorporation of the company. Subsequent appointments shall be made as follows:

- (a) There must be at least three Trustees at all times. The Board of Managers shall comprise the Officers and not more than ten other Trustees.
- (b) No person may be appointed as a Trustee unless he has been approved in advance by the Ecclesiastical Superior for the time being of the Roman Catholic Archdiocese of Glasgow (The Superior).
- (c) The Chairperson shall be directly appointed by decision of the Superior for a term of three years.
- (d) The other Trustees shall be appointed by decision of the Trustees for a term of three years.

At the end of a term of office a willing Trustee who remains eligible under the law to act as a charity trustee and company director may be re-appointed to another term.

Trustee Induction and Training

New trustees attend a short induction and training session where they are briefed on the content of the Constitution, the decision making process, the business plan and recent financial performance of the charity.

Organisational Structure

The Board of Managers meet regularly throughout the year to administer the charity. A Head of Service is appointed by the managers to manage the day to day operations of the secure unit. The Head has delegated authority, as approved by the managers, for all operational matters and project related activity within the unit.

Risk Management

The Trustees have a risk management strategy which comprises:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

Internal control risks are minimised by the implementation of procedures for the authorisation of all transactions. The finance sub-committee discuss any external risks to funding, decide on appropriate action to minimise risks, and develop a strategic plan.

Structure, Governance and Management (cont.)

Related Parties

St. Mary's Kenmure is one of four specialist schools affiliated with Cora Foundation. The others are St. Philip's, Plains, Springboig St. John's School, Glasgow and The Good Shepherd Centre, Bishopton. Cora Foundation was established by the Bishop's Conference of the Roman Catholic Hierarchy in Scotland as the organisation within which a number of social care and specialist educational projects could operate and develop strategically. Cora Foundation promotes the operation of the residential schools, secure units and special needs units, administering funds on their behalf.

The school also works closely with Stepdown, who have common trusteeships with St. Mary's Kenmure. Stepdown was established to provide care and support services for children moving from secure units back into society.

Objectives and Activities

The objects of the charity are to provide secure care and education for young people who are experiencing social, emotional and behavioural difficulties.

The charity meets its objectives by:

- the operation of a secure unit and special needs unit with a view to affecting their mental, physical and moral welfare and, as far as possible, to encourage them to take their place as responsible citizens of the community; and
- promoting the provision of additional childcare and educational facilities to disseminate experiences, information and treatments.

Achievements and Performance

St Mary's Kenmure continues to be an established member of the Secure Estate and one of 3 other Voluntary recognised providers for Secure Care in Scotland for Young People of both genders aged between 10 & 16 years. St Mary's Kenmure continues to be involved in the Procurement Framework Contract Agreement managed by Scotland Excel which is subject to Annual Review through negotiation taking into account cost pressures which will reflect in a revised bed rate increase necessary to operate the service.

The Service continues to respond to referrals and requests from Local Authority purchasers. The service has in 2016 enjoyed a relatively stable referral and admission of Young People who require to be in Secure Care through short-term placements which appears to be the norm at present as we have progressed through the financial year. The service will continue to respond to referrals and placements as contacted and in times of falling numbers the service will respond through flexible working, reconfiguration of Units and space and financial prudence.

Financial review

The full accounts are reproduced on pages 7 – 17.

The main source of income is by way of service income received from the Scottish Executive and the Local Authorities. Total incoming resources for the year were £6.76 million (2015: £5.86 million). Resources expended were £6.66 million (2015: 6.09 million). Net incoming resources before actuarial gains or losses were £95,363 compared with net outgoing resources of £228,504 in 2015.

Reserves Policy

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately two to three months unrestricted expenditure. This provides sufficient funds to cover management and administration costs and to respond to emergency applications for grants which may arise from time to time. Unrestricted funds were maintained at this level throughout the year.

**Report of the Trustees
Year Ended 31 March 2016**

Statement of Trustee's responsibilities

The trustees (who are also directors of the charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

In so far as the trustees are aware:

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

Approved by the Board and signed on its behalf on 13 October 2016 by:



Angus Gillon
Chairman

**Independent Auditors' Report
To the Trustees and Members of St. Mary's Kenmure**

We have audited the financial statements of St. Mary's Kenmure for the year ended 31 March 2016 set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustees Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and to its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under that Acts.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2016, and of its incoming resources and application of resources, including its income and expenditure for the year then ended; and
- 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 and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

St. Mary's Kenmure

Independent Auditors' Report To the Trustees and Members of St. Mary's Kenmure

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records; 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.



John Di Mambro (Senior Statutory Auditor)

For and on behalf of
John Di Mambro & Co.
Chartered Accountants
Statutory Auditors
16 Muir Street
Hamilton ML3 6EP

Dated:

14-10-16

John Di Mambro & Co. is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

St. Mary's Kenmure

Statement of Financial Activities (Including an Income and Expenditure Account) Year Ended 31 March 2016

	Note	Unrestricted reserves £	Restricted reserves £	Total 2016 £	Total 2015 £
Income:					
<i>Income from charitable activities:</i>					
Service income		6,750,451	-	6,750,451	5,856,987
Other income	2	8,316	-	8,316	1,262
Investment income	3	25	-	25	14
Total income		6,758,792	-	6,758,792	5,858,263
Expenditure:					
Charitable activities	4	6,663,429	-	6,663,429	6,086,317
Total expenditure		6,663,429	-	6,663,429	6,086,317
Net income / (expenditure)		95,363	-	95,363	(228,054)
Other recognised gains & losses					
Actuarial gains / (losses) on defined benefit pension scheme	9	1,952,000	-	1,952,000	(832,000)
Net movement in funds		2,047,363	-	2,047,363	(1,060,054)
Reconciliation of funds:					
Total funds brought forward		2,661,621	-	2,661,621	3,721,675
Total funds carried forward		4,708,984	-	4,708,984	2,661,621

The statement of financial activities includes all gains and losses recognised in the year.


All income and expenditure derive from continuing activities.

St. Mary's Kenmure (Company Number: SC390523)

**Balance Sheet
As at 31st March 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	6	6,000	-
Total fixed assets		6,000	-
Long Term debtors	7	4,784,352	5,064,352
Current assets			
Debtors	7	2,476,965	1,709,218
Cash at bank and in hand		5,095	6,071
Total current assets		2,482,060	1,715,289
Liabilities			
Creditors falling due within one year	8	(433,428)	(274,020)
Net current assets		2,048,632	1,441,269
Net assets excluding pension scheme liability		6,838,984	6,505,621
Defined benefit pension scheme liability	9	(2,130,000)	(3,844,000)
Total net assets	10	4,708,984	(3,844,000)
The funds of the charity			
General funds		6,838,984	6,505,621
Pension reserve		(2,130,000)	(3,844,000)
Total unrestricted funds	11	4,708,984	2,661,621
Restricted income funds		-	-
Total charity funds		4,708,984	2,661,621

Approved by the Board and signed on its behalf on 13 October 2016 by:


Angus Gillon
 Chairman

The notes on pages 10 to 17 form part of these financial statements

St. Mary's Kenmure

Statement of cash flows Year Ended 31 March 2016

	Note	2016 £	2015 £
Cash flows from operating activities:			
Net cash provided by operating activities	1	(96,008)	(11,887)
Cash flows from investing activities:			
Interest received		25	14
Purchase of fixed assets		(9,000)	-
Net cash (used) / provided by investing activities		(8,975)	14
Decrease in cash and cash equivalents in the year		(104,983)	(11,873)
Cash and cash equivalents at the beginning of the year		(42,471)	(30,598)
Cash and cash equivalents at the end of the year	2	(147,454)	(42,471)

Notes to the Statement of cash flows

1. Reconciliation of net income to net cash flow from operating activities

	2016 £	2015 £
Net expenditure for the year	95,363	(228,054)
Depreciation charges	3,000	-
Interest received	(25)	(14)
Decrease in net movement in funds due to FRS17	238,000	245,000
Decrease / (increase) in debtors	(487,747)	(22,544)
Increase / (decrease) in creditors	55,401	(6,275)
Net cash provided by operating activities	(96,008)	(11,887)

2. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash at bank and on hand	5,095	6,071
Bank overdraft	(152,549)	(48,542)
Total cash and cash equivalents	(147,454)	(42,471)

Notes to the financial statements
Year Ended 31 March 2016

1. Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

This is the first year that financial statements are prepared in compliance with FRS102 and the Charities Statement of Recommended Practice (FRS102), with prior year's figures and disclosures amended where necessary to ensure compliance with FRS102. In accordance with the requirements of FRS102 a reconciliation of opening balances is provided below.

Reconciliation of net income for the year ended 31 March 2015:

Net income for the year ended 31 March 2015 as previously reported	10,946
Defined benefit pension scheme adjustment (see below)	(239,000)
Net expenditure for the year ended 31 March 2015 under FRS102	<u>(228,054)</u>

Defined benefit pension scheme adjustment - Under previous UK GAAP, St. Mary's Kenmure recognised an expected return on defined benefit plan assets within net income in the Statement of Financial Activities. Under FRS102, a net interest expense, based on the net defined benefit liability, is recognised within net income. The effect of the change has been to reduce the net income in the year to 31 March 2015 by £239,000 and increase the actuarial gain on the defined benefit pension scheme within other recognised gains and losses.

There are no changes to the figures for last year which affect either the net movement in funds or the total funds held at the end of the year, either individually or in aggregate.

Incoming resources

All incoming resources are included in the statement of financial activities when the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Depreciation

Depreciation is provided so as to write off the cost of fixed assets less any residual value on the following basis:

- Motor vehicles - straight-line over 3 years.

Leased assets

Rentals payable under operating leases are charged on a straight line basis over the lease term.

There are no assets held under finance leases.

Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of a grant.

St. Mary's Kenmure

Notes to the financial statements Year Ended 31 March 2016

1. Accounting Policies (contd.)

Pensions

St. Mary's Kenmure operates two defined benefit schemes.

Strathclyde Pension Scheme

The pension liabilities and assets are recorded in line with FRS102, with a valuation undertaken by an independent actuary. FRS102 measures the value of pension assets and liabilities at the Balance Sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. The value of benefits accrued and the net interest cost is used to determine the pension charge in the SOFA and are allocated across the appropriate incoming/outgoing resource categories. The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members is recognised in the SOFA within actuarial gains/losses on defined benefit pension schemes. The resulting pension liability or asset is shown on the Balance Sheet.

Scottish Teachers Superannuation Scheme (STSS)

The STSS is a defined benefit multi-employer pension scheme. It is not possible to identify The Good Shepherd's share of the underlying assets and liabilities of the STSS and hence contributions to the scheme are accounted for as if they were contributions to a defined contribution scheme. Pension contributions are charged to the SOFA as incurred.

2. Other income

	2016 £	2015 £
Disposal of assets	2,300	-
Training	6,016	1,262
	<u>8,316</u>	<u>1,262</u>

3. Investment income

	2016 £	2015 £
Bank interest	25	14
	<u>25</u>	<u>14</u>

St. Mary's Kenmure

Notes to the financial statements Year to 31 March 2016

4. Charitable activities

	Year to 31.03.16 £	Year to 31.03.15 £
Teaching and care of children		
Teaching and care staff	3,731,581	3,279,913
Training costs	4,685	6,976
External services	31,945	38,300
Supplies and services	157,200	157,633
Storm training project	-	29,742
Other expenditure	30,635	27,479
	<u>3,956,046</u>	<u>3,540,043</u>
Running costs and maintenance of unit		
Kitchen and maintenance staff	251,715	252,663
Operations and control room staff	183,625	162,783
Property costs	577,567	584,285
Transport costs	10,438	14,466
St Philip's contribution	708,538	709,190
Springboig St John's contribution	90,219	-
Capital expenditure	165,103	102,263
Secure unit amortisation	280,000	280,000
Depreciation	3,000	-
	<u>2,270,205</u>	<u>2,105,650</u>
Support costs		
Administration staff	80,330	82,033
Management fees	252,178	235,199
Other administrative costs	66,648	79,605
	<u>399,156</u>	<u>396,837</u>
Governance costs		
Auditors remuneration	9,440	15,280
Official correspondents fees	28,582	28,507
	<u>38,022</u>	<u>43,787</u>
Total Charitable Activity Costs	<u><u>6,663,429</u></u>	<u><u>6,086,317</u></u>

St. Mary's Kenmure

Notes to the financial statements Year to 31 March 2016

5. Employees and Trustees

Staff numbers

The average number of employees, calculated on a head count basis, analysed by function was:

	2016 No.	2015 No.
Teaching and care	109	100
Kitchen and maintenance	15	16
Operations and control room	7	6
Administration	4	4
	<u>135</u>	<u>126</u>

Staff costs

	2016 £	2015 £
Wages and salaries	3,165,394	2,909,227
Social security costs	233,190	213,181
Pension costs	848,667	532,984
	<u>4,247,251</u>	<u>3,655,392</u>

The following number of employees received emoluments in excess of £60,000:

	2016 No.	2015 No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

Both (2015: Both) of these employees were also members of the defined benefit pension scheme.

Key Management Personnel

Key management personnel are considered to be the Senior Management Team. In the year to 31 March 2016 they received total aggregate employee benefits, including pension contributions, of £234,804 (2015: £228,158).

Trustees

Trustees received nil remuneration (2015: Nil) for their services. None of the trustees were reimbursed for travel expenses during the year (2015 – none).

St. Mary's Kenmure

Notes to the financial statements Year to 31 March 2016

6. Tangible fixed assets

	Motor vehicles £	Total £
Cost:		
At 1 April 2015	-	-
Additions	9,000	9,000
At 31 March 2016	9,000	9,000
Depreciation:		
At 1 April 2015	-	-
Charge for period	3,000	3,000
At 31 March 2016	3,000	3,000
Net Book Value:		
At 31 March 2016	6,000	6,000
Net Book Value:		
At 31 March 2015	-	-

7. Debtors

	2016 £	2015 £
Long Term Debtors		
Cora Foundation (see note below)	4,784,352	5,064,352
Debtors falling due within one year		
Prepayments and accrued income	380,665	235,071
Other debtors	512	812
Cora Foundation	2,095,778	1,473,335
	2,476,955	1,709,218

The Board of Managers of St. Mary's Kenmure entered into an agreement with Cora Foundation to procure the construction of the new Secure Unit at Bishopbriggs. Under the arrangement Cora Foundation financed the construction of the Unit by means of Government grant funding and a bank loan. In February 2013 Cora Foundation restructured their outstanding loans and an amended procurement agreement was drawn up with St. Mary's Kenmure.

Under the amended agreement Cora Foundation will make repayment of the new loan, interest and related costs from the revenues collected by it, on behalf of St. Mary's Kenmure and St. Philip's School Plains, in respect of the operation of their Units.

The loan is secured by a floating charge over the assets and undertakings of Cora Foundation and a legal first charge over St Marys Secure Unit which is currently occupied by St Marys Kenmure. Ownership of the Secure Unit remains with Cora Foundation until the bank loan has been repaid in full and will transfer to St. Mary's Kenmure thereafter. To facilitate transfer of the ownership of the Secure Unit to St. Mary's Kenmure after the loan has been extinguished a restricted fund, the New Secure Unit fund, has been set up to accumulate to an amount equal to the carrying value of the Secure Unit in Cora Foundation's balance sheet at the end of the loan period.

At 31 March 2016 the net book value of the property was £4,359,121, the amount owed to the bank was £964,956 and the balance of the New Secure Unit fund was £4,784,352.

St. Mary's Kenmure

Notes to the financial statements Year Ended 31 March 2016

8. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank overdraft	152,549	48,542
Trade creditors	43,250	40,180
Social security and other taxes	138,846	117,285
Accrued expenses	98,783	68,013
	<u>433,428</u>	<u>274,020</u>

9. Pension schemes

Scottish Teachers Superannuation Scheme

The Scottish Teachers' Superannuation Scheme provides pensions to teachers who have worked in schools and other educational establishments in Scotland. The Scheme is an unfunded statutory public services pension scheme with the benefits underwritten by the Government. The Scheme is financed by payments from the employer and those current employees who are members of the Scheme, who pay contributions at different rates which depend on their salaries. The rate of employer contributions is typically set following an actuarial valuation. With effect from 1 April 2009 the employer contribution rate has been 14.9% of pay, which was set following the completion of the previous valuation of the Scheme carried out as at 31 March 2005.

The latest valuation of the scheme was carried out on 31 March 2012. At that date the scheme assets amounted to £19.6 billion, whilst liabilities were £20.9 billion, resulting in a shortfall of £1.3 billion. The Scheme actuary determined that employer contributions should increase from 14.9% to 17.2% of pensionable pay with effect from 1 April 2015 although this was not implemented until 1 September 2015 following agreement between Scottish Ministers and HM Treasury.

St. Mary's Kenmure charges employer's pension contributions to the SOFA as and when they become due. The total employer contribution payable in the year to 31 March 2016 was £61,959 (2015: £53,939).

Strathclyde Pension Fund

The Local Government Pension Scheme (LPGS) is a defined benefit statutory scheme, administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) regulations 1998 (as amended). It is contracted out of the State Second Pension Scheme. The assets of the scheme are held in a separate trustee-administered fund.

As required by FRS102 the defined benefit liabilities have been measured using the projected unit method. The tables below state the actuarial assumptions upon which the valuation of the scheme was based.

	2016 (% p.a.)	2015 (% p.a.)
Pension increase rate	2.2%	2.4%
Salary increase rate	4.2%	4.3%
Discount rate	3.5%	3.2%

The mortality assumptions adopted imply the following life expectancies at age 65

		2016	2015
Pensioners	Males	22.1 years	22.1 years
	Females	23.6 years	23.6 years
Non-pensioners	Males	24.8 years	24.8 years
	Females	26.2 years	26.2 years

Notes to the financial statements
Year Ended 31 March 2016

9. Pension scheme (contd.)

Analysis of amounts charged to statement of financial activities

	2016 £(000)	2015 £(000)
Current service cost	672	481
Net interest Cost	124	122
Net finance charge	<u>796</u>	<u>603</u>
Return on pension scheme assets excluding interest income	(94)	848
Experience gains arising on the plans liabilities	275	798
Changes in financial assumptions	1,771	(2,069)
Changes in demographic assumptions	-	(409)
Total actuarial gains / (losses) recognised	<u>1,952</u>	<u>(832)</u>

The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since 1 April 2006 is a loss of £2,023,000 (2015: £3,975,000 loss).

Reconciliation of opening and closing balances of the scheme assets and liabilities

	Fair value of scheme assets £(000)	Present value of scheme liabilities £(000)	Scheme assets less liabilities £(000)
Scheme assets / liabilities at the start of the year	15,429	(19,273)	(3,844)
Current service cost and expenses	-	(672)	(672)
Interest income / (cost)	497	(621)	(124)
Actuarial (loss) / gain	(94)	2,046	1,952
Contributions by members	129	(129)	-
Contributions by employer	558	-	558
Benefits paid	(511)	511	-
	<u>16,008</u>	<u>(18,138)</u>	<u>(2,130)</u>

The best estimate of employers contributions expected to be paid to the scheme in the year to 31 March 2017 is £556,000.

St. Mary's Kenmure

Notes to the financial statements Year Ended 31 March 2016

10. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	6,000	-	6,000
Long term debtor	4,784,352	-	4,784,352
Net current assets	2,048,632	-	2,048,632
Pension scheme liability	(2,130,000)	-	(2,130,000)
	<u>4,708,984</u>	<u>-</u>	<u>4,708,984</u>

11. Unrestricted funds

	Balance at 31.03.15 £	Incoming £	Outgoing £	Transfers and losses £	Balance at 31.03.16 £
General funds					
Revenue	6,325,028	5,945,792	(4,993,788)	(558,000)	6,719,032
Capital	180,593	813,000	(873,641)	-	119,952
	<u>6,505,621</u>	<u>6,758,792</u>	<u>(5,867,429)</u>	<u>(558,000)</u>	<u>6,838,984</u>
Pension reserve	(3,844,000)	-	(796,000)	2,510,000	(2,130,000)
	<u>2,661,621</u>	<u>6,758,792</u>	<u>(6,663,429)</u>	<u>1,952,000</u>	<u>4,708,984</u>

A transfer of £558,000 was made from Revenue funds to the Pension reserve in respect of employer's pension contributions. An actuarial gain of £1,952,000 arose on the Pension reserve.

12. Related Party Transactions

At 31 March 2016 Cora Foundation owed St. Mary's Kenmure £2,437,029 (31 March 2015: £1,692,529) in respect of revenues collected by Cora Foundation on behalf of the school.

St. Marys Kenmure has common trustees/directors with a number of organisations that operate under the Cora Foundation umbrella. Transactions during the year with these related organisations were:

Name	Transactions	Amount (received) / paid Year to 31.03.16 £	Balance due from/(to) as at 31.03.16 £	Amount (received) / paid Year to 31.03.15 £	Balance due from/(to) as at 31.03.15 £
Cora Foundation	Management fee	252,178	-	235,199	-
	New secure unit amortisation	280,000	4,784,352	280,000	5,064,352
Cora Services Ltd	Leasing charges	-	-	1,093	-
Stepdown	Training	(40,856)	3,385	(39,405)	3,284