

REGISTERED COMPANY NUMBER: 07917752 (England and Wales)

**St Mary's Academy Trust
(A Company Limited by Guarantee)
Report of the Trustees and
Financial Statements for the Year Ended 31 August 2020**

Harris & Co Limited
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW



St Mary's Academy Trust

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for the Year Ended 31 August 2020**

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St Mary's Academy Trust
Reference and Administrative Details
for the Year Ended 31 August 2020

MEMBERS

Mrs L Greenfield
Diocese
Mr C Booth
Mr C Ramskill
Mrs S L Cook
Mr P M Howarth

TRUSTEES

Mrs S L Cook (Chair)
Mrs M Priestley (Chief Executive Officer)
Mr C Ramskill
Mrs T Rodger
Mrs S Williams
Mrs L M Wylie
Mr S J C Walls (appointed 1 September 2019)
Fr S Race (appointed 1 September 2019)

REGISTERED OFFICE

Schofield Sweeney LLP
Springfield House
76 Wellington Street
Leeds
LS1 2AY

REGISTERED COMPANY NUMBER

07917752 (England and Wales)

INDEPENDENT AUDITORS

Harris & Co Limited
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

BANKERS

Yorkshire Bank
1A Peel Square
Barnsley
South Yorkshire
S70 2PL

SOLICITORS

Schofield Sweeney LLP
Springfield House
76 Wellington Street
Leeds
LS1 2AY

St Mary's Academy Trust

Reference and Administrative Details for the Year Ended 31 August 2020

SENIOR MANAGEMENT TEAM

M Priestley, Chief Executive, Accounting Officer
R J Marsh, Director of Teaching and Learning
L Spencer, Executive Head of St Mary's Primary School
and Royston St John CE Primary
S J C Walls, Head of All Saints Academy
S Kaufman, Head of Queens Road Academy
D Wood, Head of West Meadows Primary School
J Lancett, Head of Darton Primary School
T Gulliver, Head of The Mill Academy
P Wright, Head of Dodworth CE Primary
S Silverwood, Head of Elsecar Primary

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2020

The Trustees (who are also directors of the charity for the purposes of the Companies Act ("the Directors")) present their annual report together with the audited financial statements of St Mary's Academy Trust ("the Trust") for the year ended 31 August 2020. The Directors confirm that the annual report and financial statements of the Trust comply with current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (Accounting and Reporting by Charities) effective from 1 January 2015, and the Financial Reporting Standard 102 (FRS102).

STRUCTURE GOVERNANCE AND MANAGEMENT

Charity constitution

The Trust is a company limited by guarantee and an exempt charity. The Trust was incorporated on 20 January 2012 and commenced operations on 1 February 2012 when St Mary's CofE (VA) Primary School converted to an academy. Other schools have joined the Trust on the following dates:

1 September 2012 - All Saints Academy
1 September 2013 - Queens Road Academy
1 December 2013 - West Meadows Primary School
1 February 2014 - Darton Primary School
1 September 2014 - The Mill Academy
1 February 2016 - Royston St Johns CE Primary
1 June 2019 - Dodworth CE Primary
1 June 2019 - Elsecar Primary

The Charitable Company's memorandum and articles of association are the primary governing documents of the Trust.

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

Members' liability

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

Purpose of the Trust

The Trust has entered into a funding agreement with the Education and Skills Funding Agency ("ESFA"), which provides the framework within which the Trust must operate. The principal object of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad curriculum.

Trustees' Indemnities

The Academy Trust has purchased Trustees'/Governors' and Officers' liability insurance which covers them for any legal action brought against them. The current insurance provides cover up to £5,000,000 on any one claim. Qualifying third party indemnity provisions (as defined by s236 of the Companies Act 2006) were in force during the period and remain in force in relation to certain losses and liabilities which the Trustees/Governors or other officers may incur to third parties in the course of acting as Governors or officers of the Academy Trust.

Organisational structure and the Governing Body

As a charity and company limited by guarantee, the Trust is governed by a Board of Trustees who are responsible for, and oversee, the management and administration of the Company and the academies run by the Company. The composition of the Board of Trustees shall be made up as follows:

- The Chief Executive,
- Staff Trustees appointed by the Governing body up to a maximum of one third of the total
- Up to 10 Trustees appointed by the Members.

The Board of Trustees comprises of members with a range of skills and expertise in education and business management. New Trustees holding the necessary skills are identified through national education networks including Governors for Schools.

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2020

The Board of Trustees has appointed a Local Governing Body ("LGB")/Performance Committee for each member academy which, for church schools, includes religious distinctiveness and which each has delegated powers to oversee the day to day running of that school in addition to Finance and HR subcommittees that oversee the financial performance of the Trust and trust policy framework.

New Trustees and governors are inducted into the organisation through school visits and familiarisation with the vision, strategic plan and procedures in addition to appropriate training. A full induction pack including Code of Conduct, Role Description, Scheme of Delegation and supporting documentation is provided. The Trust employs a clerk to the board who supports Trustees and governors in their roles. The Trust has a central clerking service to provide professional support in all Trustee and governor meetings.

The Trust added to its governance arrangements for 2019/20 with the addition of a Chairs Committee. This has been particularly important as the Trust has negotiated the Covid-19 pandemic, meaning stable, strong and decisive leadership was of paramount importance. The Trust Board meets half-termly but this academic year met more frequently and were in regular email communication. Trustees provided an invaluable resource when making critical business decisions such as closing schools, reviewing and approving risk assessments and supporting the Trust SLT through what has been a challenging year.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust has a robust process for the scrutiny of staff performance and remuneration. The Trust reviews its pay policy annually and all salary pay scales are set out in the policy. The criteria for pay groups, bands and pay progression are set out in the Teachers Pay and Conditions document which forms the remit for the Academy Trusts pay structure for its Key Management Personnel.

The Trust Board directly oversees all staff remuneration decisions. All Central Trust senior leaders are directly line managed by the Chief Executive, who in turn is held to account by the Trust Board. All head teachers are line managed by their Chair of Governors and the Chief Executive.

Connected Organisations including Related Party Relationships

The Trust is part of the Diocese of Wakefield Umbrella Trust, which continues the links that were in place before academy status when St. Mary's C of E Primary School Academy was a Church of England Voluntary Aided Primary School.

Risk Management

The Trustees have assessed the major risks to which St Marys Academy Trust is exposed and are working to mitigate and eliminate these risks. In order to do this, the risk management process involves the production of a detailed risk register accompanied by a range of mitigating strategies including ensuring policies are up to date, and that relevant members of the Executive team are assigned to own each risk.

The remit of the Audit Committee is to ensure risks are identified and mitigating activities are in place.

The Audit Committee and the Executive team alongside the Head teachers work to ensure processes are in place to manage key risks. The main focus areas are:

- Long term financial planning, financial risks and uncertainties - including the impact of inflation, pension scheme deficits, student numbers on roll and building conditions;
- Health and Safety;
- Safeguarding;
- Data Protection (GDPR);
- Business Continuity Planning;
- Financial Fraud

The main risks facing St Marys Academy Trust are that schools do not meet National Expectations and consequently 'reputational' risk.

The risk register is comprehensive and deals with a wide range of matters. Where appropriate there is adequate insurance cover to mitigate any residual risks.

St Mary's Academy Trust

Report of the Trustees for the Year Ended 31 August 2020

Objects, Aims and Objectives

The principal object and activity of the charitable company for the period to which these financial statements relate is the operation of 9 primary schools, these being, St Marys CE Primary School, All Saints Academy, Queens Road Academy, Darton Primary School, West Meadows Primary School, The Mill Academy, Royston St Johns CE Primary, Dodworth CE Primary and Elsecar Primary to provide education for pupils of different abilities between the ages of 4 and 11.

In accordance with the Funding Agreement made under section 482 of the Education Act 1996, as substituted by the Education Act 2002, between the Secretary of State for Children, Schools and Families and the Trust, all our schools are governed by Local Governing Bodies which exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the academies. The Funding Agreement specifies the admission arrangements, amongst other things, and that the curriculum, in substance, complies with statutory requirements.

Aims and Mission

The vision of the Trust is:

St Mary's Academy Trust is a family of schools founded upon our key values, delivering educational excellence in order that each child thrives within our safe and nurturing environment.

This is underpinned by the values and beliefs through which we operate:

Children First

Aspiration, Resilience, Independence, Inclusive

The best for our children is central to every decision made. We give children the building blocks for life - socially, emotionally, morally and academically.

Lead Bravely

Team ethos, Consistency, Inspirational, Reflective

Visionary leadership underpins our Ethos of Excellence.

Own It

Integrity, Perseverance, Creative, Pride

With enthusiasm, shared responsibility and pride we push boundaries to deliver educational excellence.

Straight talking

Respect, Listen, Professionalism, Positivity

Honesty, empathy and clear communication underpin our drive for collaborative excellence. Ongoing professional challenge supports our improvement journey.

Community

Trust, Nurture, Opportunity, Family

Positive relationships with the wider community, built upon mutual trust, removing barriers and providing memorable lifelong experiences for all.

Compliance statement

We acknowledge, as Trustees, that the Trust has complied with the Charity Commission's public benefit requirements during the period.

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2020

STRATEGIC REPORT

The Board of Trustees is mindful that the long-term success of St Marys Academy Trust is critically dependent on the way we work with a large number of key stakeholders including:

Engagement with employees (including disabled persons)

We believe our staff are key to our success and therefore by creating a positive and supportive working culture we can provide our children with the best staff.

All schools within our Trust have regular staff briefings with their leadership teams that allow information to be shared throughout school. There is a Trust wide email communication that shares new policies, guidance and opportunities. During this academic year, a key communication has been the Chief Executives emails to all staff identifying our next steps, providing reassurance and offering support.

Staff wellbeing is fundamental in a daily business and again has been of paramount importance this year. We have a robust absence management process supported by HR and Occupational Health. Staff are often supported by trained counsellors where this is required. During this year group counselling, wellbeing training/support has been provided for all staff and governors in addition to quizzes, baking competitions and creative competitions to boost morale.

Throughout the academic year we have frequently sought out the views of staff to inform our decision making, particularly in relation to the pandemic. We have taken onboard suggestions and concerns and that has shaped our protocols within school, an example being the wearing of masks in communal areas. This was implemented by the Trust earlier than the government guidance as this is what our staff asked for.

Staff continue to be provided with relevant CPD opportunities, whether this be to support them in their existing role or to assist future development, for example leadership training through the national Professional Qualification (NPQ) leadership qualifications and supporting secondment opportunities.

We work as a family of schools with staff at all levels collaborating to share ideas and support each other.

The Trust has strong working relationship with the relevant unions as we see this as a key method of supporting our employees.

A key part of our policies is that they support our staff in having a work life balance and that is openly encouraged.

Achievements and performance

This academic year was without a doubt a year of two halves pre-Covid-19 and during Covid-19 as we must acknowledge that unfortunately the impact of the pandemic inevitably took over the running of the Trust and meeting our original goals has not been possible.

The first six months of the academic year saw our schools continue to improve, with schools building upon their previous educational achievements and with educational outcomes expected to show significant improvements in our most vulnerable schools.

External validation visits showed strong leadership and teaching within our schools that would secure positive educational outcomes for our children. All schools had revisited their curriculum offer and were making good progress against their strategic plans.

Trust staffing, absence rates and retention data was strong consolidating our position as a good employer within the Academy sector. Staff wellbeing was and remains one of our key priorities and we were making excellent progress in enhancing our offer to staff.

Covid-19 hit us all in March 2020 and changed the ways within which schools were expected to operate overnight.

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2020

STRATEGIC REPORT

Achievement and performance

It is important to stress that the Trust has proven that we were well positioned to manage the impact of this unforeseen pandemic. We have in place a strong and experienced Board of Trustees who were able to support the Trust Leadership in taking well informed, decisive and rapid decisions. The Trust has an experienced Leadership team who made key decisions for the benefit of the whole organisation showing excellent leadership skills and the capability to lead us through the national crisis.

Through robust arrangements the Trust is financially secure and therefore was able to continue paying key suppliers, we could withstand the reduction in income generation and could pause on planned restructures allowing leaders to focus on guiding our schools through this difficult period.

Our greatest strength since March 2020 has been twofold, compassionate leadership and collaboration. Leaders and staff throughout the Trust have come together to make decisions in the interest of all, ensuring that our children, staff and families were well supported.

Throughout the pandemic all of our schools remained open providing provision to our most vulnerable children and children of key workers. Any family requiring provision was provided with such including during school holidays. Initially numbers within schools were low and varied across the Trust but we were able to put in place key structures that allowed some consistency across the organisation.

As the pandemic continued children attending school increased, however, our systems were flexible so could accommodate this whilst still providing a setting that more than met the government requirements. The focus initially was on wellbeing, providing essential care, doing home visits to support our vulnerable families and ensuring our school community was provided with food and other essential resources.

To facilitate this, clear and honest communication was key to keep all staff informed of key decisions, updated guidance and support mechanisms were put in place. We took a risk averse approach with our most vulnerable staff either working from home or being medically suspended. It was and remains important to us that all of our staff are well supported, and decisions are made with the health and safety of all at the fore. We acknowledge this was an anxious time for all and additional wellbeing support was implemented examples being counselling, one to ones and creative activities.

Throughout the directed partial closures, Trustees, Chairs of Governors and school leadership met frequently in addition to regular email communication in relation to the strategic and operational decisions made impacting upon the day-to-day operation of our schools. Risk assessments were in place and were updated continuously with regular reviews. These were to ensure that the arrangements in place were safe and fit for purpose. The risk assessments were and remain available to staff, parents and governors to ensure everyone within the school community continues to be well informed of our processes.

The wider opening of schools in June went exceptionally well. All schools reopened in accordance with the plans agreed with the Trust Leadership team and Government expectations. The wider opening saw staff welcoming more children back into our settings whilst maintaining the robust safety arrangements we had put in place.

Throughout the pandemic, site and cleaning staff have worked tirelessly to ensure safe and sanitary conditions within schools. This has involved the deep cleaning of classrooms and shared spaces with additional cleaning undertaken each day.

The Trust provided home learning to all pupils during this period. Staff were required to work quickly and collaboratively to produce quality plans and materials for remote education. During the summer term one of our schools trialled an online platform. This has meant the Trust was positioned well for the new academic year and remote learning was swiftly implemented in September 2020 with all staff trained in preparation for bubble closures and future lockdowns.

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2020

STRATEGIC REPORT

Achievement and performance

During the pandemic, the Trust has incurred significant unbudgeted expenditure including for PPE, cleaning materials, school meals (prior to the national voucher system) and wellbeing support for staff and families. During the period, the usual procurement procedures were followed, and we ensured where possible we benefited from bulk purchasing and secured value for money. The Trust continued to pay suppliers including the school meals contractor at our PFI schools under a PPN notice. The Trust did submit a claim to central government to recover the additional costs, however due to having robust financial arrangements, we were not successful in recovering that money and therefore the additional costs incurred (in excess of £70k) had to be met from existing Trust resources.

Financial review

Financial position

The majority of the Trust's income for the period was obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants from the ESFA and from other government bodies. In accordance with SORP 2015 such grants are shown in the Statement of Financial Activities as restricted income.

During the year ended 31 August 2020 incoming resources increased by £1,565k to £10,557k (2019: £8,992k), resources expended increased by £872k from £10,519k to £11,391k and net expenditure therefore totalled £835k (2019: £1,528k).

The actuarial loss for the year on the Local Government Pension Scheme (LGPS) was £457k (2019: £2,148k) which, with other movements, has resulted in an LGPS deficit of £8,968k at 31 August 2020 (2019: £7,903k). Based on initial actuarial advice following conversion to academy status at each school, the pension deficit is being eliminated by additional LGPS pension contributions over an agreed period of 20 years. These additional contributions could be required to increase in future years, although no increases have yet been notified by the actuary. The size of the LGPS deficit is a very significant issue facing the Trust in future years, in common with the rest of the academy schools sector.

As a result of the increase in the LGPS deficit, at 31 August 2020, the Trust's total funds have reduced significantly by £1,292k to £52k (2019: £1,344k) comprising fixed assets of £7,978k (2019: £8,223k), net current assets of £1,043k (2019: £1,023k) including bank balances of £982k (2019: £1,044k), and a pension scheme liability of £8,968k (2019: £7,903k)."

Investment policy

The Trustees have determined that all cash balances shall be held in interest earning reserve accounts and drawn into current accounts as and when needed to meet operational expenses.

The Trust will review its investment policy when reserves have grown sufficiently to warrant further investment consideration.

Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trust's "free reserves" are its funds after excluding restricted funds. "Free reserves" are therefore the resources the Trust has or can make available to spend for any or all of the Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Trust which is to be spent at the Trustees' discretion in furtherance of any of the Trust's objects, but which is not yet spent, committed or designated. The Trust's current level of free reserves is £504,899 (2019: £510,132) which is included within bank balances of £982,492 (2019: £1,043,627) and so which are adequate to cover any immediate call on reserves.

St Mary's Academy Trust

Report of the Trustees for the Year Ended 31 August 2020

STRATEGIC REPORT

Financial review

Reserves policy

Demands on the Trust's reserves will vary over the coming years. The Board will develop a long-term policy to ensure there is sufficient working capital and reserves to cover potential contingencies. The level of reserves will be monitored throughout the year and any potential issues will be dealt with appropriately. Any surplus balances will be used to maximise the potential for all the member academies.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Whilst the balance sheet net assets are reducing, this reflects the pension deficit which is not an immediate liability and so does not impact on the going concern assessment.

Fundraising

The Trust mainly relies on government allocations, however, for some events and activities we do rely on voluntary contributions from parents.

Principal risks and uncertainties

There are a number of principal risks and uncertainties facing the Trust, the main one being the emergence of the Covid-19 Pandemic which was an unexpected additional factor with implications in relation to the capacity and resourcefulness of schools individually to respond quickly and successfully to the wholesale changes imposed by central Government to the management and operation of schools during Covid restrictions.

Financial and risk management objectives and policies

As a Trust funded directly by the ESFA, funding streams are considered to be reasonably safe and secure. The main financial risk arises from possible changes in Government policy and funding levels. The Trustees have developed a risk management strategy which is being managed and will be under continual review during 2020/21. Operational risk registers have been developed at Academy level with the Head teachers that allow risks to be managed locally.

Future plans

The Trust continues to explore growth opportunities however we will continue to work with the Diocese to discuss other growth opportunities. At this time, the priority is to support our schools through the Covid-19 pandemic.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

FUNDS HELD AS CUSTODIAN FOR OTHERS

The Academy Trust does not hold any funds as custodian trustee for other persons or organisations.

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2020

AUDITORS

Auditor

Harris & Co Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Disclosure of Information to Auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware; and
- that Trustee has 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.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 28 January 2021 and signed on the board's behalf by:


.....
Mrs S L Cook - Chair

St Mary's Academy Trust
Governance Statement
for the Year Ended 31 August 2020

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 9 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a possible
Mrs S Cook, Chair	9	9
Mr C Ramskill	7	9
Mrs S Williams	6	9
Mrs L M Wylie	9	9
Mrs T Rodger	9	9
Mrs M Priestley	9	9
Mr S J C Walls	8	9
Mr S Manderson (resigned 24/01/2020)	1	9

The board of trustees also take the role of the finance committee by covering all financial matters in the main board meetings.

The Audit Committee is a sub-committee of the main board of trustees. Its purpose is to advise the Trust Board on the adequacy and effectiveness of the Trust's systems of internal control, its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money).

Attendance at meetings for the Audit Committee in the year was as follows:

Trustees	Meetings attended	Out of a possible
T Rodger	5	5
C Ramskill	4	5

Review of Value for Money

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

As Accounting Officer, Melanie Priestley (CEO) has responsibility for ensuring that St Marys Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how St Marys Academy Trust 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.

St Mary's Academy Trust
Governance Statement
for the Year Ended 31 August 2020

Improving Value for Money in our academies is focussed on three areas:

- How we monitor and manage academies' progress in delivering the best outcomes for students.
- How well we procure goods and services.
- How we best deploy our staffing resources.

Regular monitoring is undertaken and reported to the Local Governing Bodies and Finance Committee. This academic year will focus on budget monitoring being presented and challenged through the Finance Committee to drive efficiencies and consistencies (where appropriate) through the budget.

Internal audits are undertaken annually at each academy by the internal auditor. The Trust continues to make improvements to the internal control framework and to provide challenge where processes are not being followed.

The Trust benefits from economies of scale in some areas. Examples of this include:

- New VOIP phone systems
- procurement of buildings insurance

The Trust regularly applies for grants to improve the fabric of all its buildings and this will continue next year for all the Trust schools.

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mary's Academy Trust for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The local governing bodies and board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The local governing bodies and board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks, that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the local governing bodies and board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- 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 continued with their appointment of the external auditor, Harris & Co Limited as internal auditor to perform an appropriate programme of checks on the Academy Trust's financial systems in addition to its external audit work.

During the year ended 31 August 2020 the internal audit work comprised 1 visit by Harris & Co Limited to perform a bespoke programme of checks on the academy's financial systems, the results of which were reported to the Board of Trustees.

St Mary's Academy Trust
Governance Statement
for the Year Ended 31 August 2020

The Risk and Control Framework

During the period ended 31 August 2020 the programme of risk review and control checks have been fully delivered in line with requirements of the Education and Skills Funding Agency.

Following changes introduced in the Academies Financial Handbook 2020, for the year-ending 31 August 2021 the external auditors are no longer permitted to also carry out internal audit work for the Trust.


Review of Effectiveness

The Accounting Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the Finance Manager;
- the work of the Audit Committee.

The Accounting Officer has been advised of the implications of the result of the review of the system of internal control 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 28 January 2021 and signed on its behalf by:


.....
Mrs S L Cook - Chair


.....
Mrs M Priestley - Chief Executive Officer

St Mary's Academy Trust

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2020**

As accounting officer of St Mary's Academy Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company 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 2019.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2019.

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.


M Priestley - Accounting Officer

28 January 2021

St Mary's Academy Trust

Statement of Trustees Responsibilities for the Year Ended 31 August 2020

The Trustees (who act as directors of St Mary's Academy Trust) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and 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 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 28 January 2021 and signed on its behalf by:


.....
Mrs S L Cook - Chair

Report of the Independent Auditors to the Members of St Mary's Academy Trust

Opinion

We have audited the financial statements of St Mary's Academy Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2019 to 2020.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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.

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 Report of the Independent Auditors 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.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Report of the Independent Auditors to the Members of St Mary's Academy Trust

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

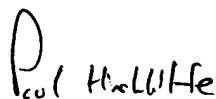
Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Hinchliffe BA FCA (Senior Statutory Auditor)
for and on behalf of Harris & Co Limited
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Date: 28 January 2021

Independent Reporting Accountant's Assurance Report on Regularity to St Mary's Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Mary's Academy Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Mary's Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Mary's Academy Trust 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 Mary's Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Mary's Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Mary's Academy Trust's funding agreement with the Secretary of State for Education dated 30 October 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed, and income received during the period 1 September 2019 to 31 August 2020 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 2019 to 2020 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 charitable company's income and expenditure.

The work undertaken to draw our conclusion includes:

- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- evaluation of the general control environment of the Academy Trust;
- assessment and testing of a sample of the specific control activities over regularity of a particular activity;
- consideration of whether the activity is permissible within the Academy Trust's framework of authorities.

**Independent Reporting Accountant's Assurance Report on Regularity to
St Mary's Academy Trust and the Education and Skills Funding Agency**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Harris + Co

Harris & Co Limited
Chartered Accountants
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Date: 28 January 2021

St Mary's Academy Trust

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2020**

	Note	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset £	2020 Total funds £	2019 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	150	-	56,890	57,040	122,760
Charitable activities						
Funding for the academy's educational operations	3	193,962	10,090,874	-	10,284,836	8,747,500
Other trading activities	4	210,805	-	-	210,805	117,114
Investment income	5	3,976	-	-	3,976	4,280
Total		408,893	10,090,874	56,890	10,556,657	8,991,654
EXPENDITURE ON Charitable activities						
Academy's educational operations		408,893	10,673,661	308,723	11,391,277	9,739,965
Transfer from Local Authority on conversion		-	-	-	-	779,289
Total	6	408,893	10,673,661	308,723	11,391,277	10,519,254
NET INCOME/(EXPENDITURE)						
		-	(582,787)	(251,833)	(834,620)	(1,527,600)
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	(457,000)	-	(457,000)	(2,148,000)
Net movement in funds		-	(1,039,787)	(251,833)	(1,291,620)	(3,675,600)
RECONCILIATION OF FUNDS						
Total funds brought forward		510,132	(7,557,703)	8,391,358	1,343,787	5,019,387
TOTAL FUNDS CARRIED FORWARD		510,132	(8,597,490)	8,139,525	52,167	1,343,787


The notes form part of these financial statements

St Mary's Academy Trust (Registered number: 07917752)

**Balance Sheet
At 31 August 2020**

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	14	7,977,530	8,223,459
CURRENT ASSETS			
Stocks	15	300	300
Debtors	16	546,426	633,784
Cash at bank		<u>982,492</u>	<u>1,043,627</u>
		1,529,218	1,677,711
CREDITORS			
Amounts falling due within one year	17	<u>(486,581)</u>	<u>(654,383)</u>
NET CURRENT ASSETS		<u>1,042,637</u>	<u>1,023,328</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,020,167	9,246,787
PENSION LIABILITY	22	<u>(8,968,000)</u>	<u>(7,903,000)</u>
NET ASSETS/(LIABILITIES)		<u><u>52,167</u></u>	<u><u>1,343,787</u></u>
FUNDS	21		
Unrestricted funds:			
General fund		510,132	510,132
Restricted funds:			
Restricted General		370,510	310,295
Restricted Fixed Asset		8,139,525	8,426,360
Restricted - Pension		<u>(8,968,000)</u>	<u>(7,903,000)</u>
		<u>(457,965)</u>	<u>833,655</u>
TOTAL FUNDS		<u><u>52,167</u></u>	<u><u>1,343,787</u></u>

The financial statements were approved by the Board of Trustees on 28 January 2021 and were signed on its behalf by:


Mrs S L Cook - Chair

The notes form part of these financial statements

St Mary's Academy Trust

**Cash Flow Statement
for the Year Ended 31 August 2020**

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(59,207)</u>	<u>(2,975)</u>
Net cash provided by (used in) operating activities		<u>(59,207)</u>	<u>(2,975)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(62,794)	(187,420)
Capital grants from DfE/ESFA		56,890	111,338
Interest received		<u>3,976</u>	<u>4,280</u>
Net cash provided by (used in) investing activities		<u>(1,928)</u>	<u>(71,802)</u>
Cash transferred on conversion to an academy		<u>-</u>	<u>163,711</u>
Change in cash and cash equivalents in the reporting period		(61,135)	88,934
Cash and cash equivalents at the beginning of the reporting period		<u>1,043,627</u>	<u>954,693</u>
Cash and cash equivalents at the end of the reporting period		<u><u>982,492</u></u>	<u><u>1,043,627</u></u>

The notes form part of these financial statements

St Mary's Academy Trust

**Notes to the Cash Flow Statement
for the Year Ended 31 August 2020**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(834,620)	(1,527,600)
Adjustments for:		
Depreciation	308,723	259,133
Capital grants from DfE/ESFA	(56,890)	(111,338)
Transfer from Local Authority on conversion	-	779,289
Interest received	(3,976)	(4,280)
Decrease/(increase) in debtors	87,358	(131,776)
(Decrease)/increase in creditors	(167,802)	122,597
Difference between pension charge and cash contributions	<u>608,000</u>	<u>611,000</u>
Net cash provided by (used in) operating activities	<u>(59,207)</u>	<u>(2,975)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/9/19 £	Cash flow £	At 31/8/20 £
Net cash			
Cash at bank	1,043,627	(61,135)	982,492
	<hr/>	<hr/>	<hr/>
Total	<u>1,043,627</u>	<u>(61,135)</u>	<u>982,492</u>

St Mary's Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Mary's Academy Trust constitutes a public benefit entity as defined by FRS 102. The academy trust is a company limited by guarantee and is incorporated in England and Wales.

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.

Further information on the Trust's balance sheet position is included in the Financial Review of the Trustee's Report on pages 8 and 9. The significant reduction in balance sheet net assets reflects the increased LGPS pension scheme liability, which is not a current liability. Accordingly, as explained in the Financial Review, the trustees continue to adopt the going concern basis in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

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 the notes to the accounts, 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 2020. 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:

A critical area of judgement is the treatment of the church school premises, the treatment of which is as stated in the accounting policies.

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

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.

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

All expenditure is inclusive of irrecoverable VAT.

Intangible fixed assets and amortisation

Intangible assets costing more than £1,000 are capitalised and recognised when future economic benefits are probable, and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over the expected useful lives on the following bases:

Software - Straight line over 3 years

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Four of the school premises which the Academy Trust occupies are on long term lease to the Academy Trust from the Local Authority and from the Diocese. The part of the sites that are leased from the Local Authority are purely land (other than a conservatory at Dodworth St John the Baptist CE Primary Academy) and have been recognised on the balance sheet of the Academy Trust at the depreciated replacement cost valuation on the conversion date. Control over the parts of the school premises leased from the Diocese remain with the Diocese and so these elements are not recognised on the balance sheet of the Academy Trust.

For church school premises that are not on the balance sheet the Accounts Direction requires that an annual donation for rent should be recognised equal to what the Academy Trust would have to pay to secure premises, if such a figure can be reliably measured. Since there is no open market for such transactions this amount cannot be reliably measured and so no donation has been recognised. Subsequent expenditure on the church school premises out of capital grants are included as expenditure in the Statement of Financial Activities as a premises repair cost.

Four of the school premises which the Academy Trust occupies are leased from the Local Authority only, and the treatment of these premises remain unchanged.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Assets inherited on conversion (other than land and buildings) are depreciated over their estimated remaining useful life, as at the date of conversion.

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

- Long Term Leasehold Property:	Straight line over, 22, 30, 45 and 50 years (10 years for improvements)
- Fixtures and fittings:	15% reducing balance
- Computer equipment:	Straight line over 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.

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

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 the notes to the accounts. Prepayments are not financial instruments.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in the notes to the accounts. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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.

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 the Department for Education 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 and include grants from the Education and Skills Funding Agency.

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

Operating lease commitments

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.

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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. TPS is a multi-employer scheme with no underlying assets to assign between employers. Consequently, 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 Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

1. ACCOUNTING POLICIES - continued

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.

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.

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.

Private finance initiative

Queens Road Academy and Darton Primary School were originally built under a PFI contract by a PFI contractor on behalf of BMBC where the responsibility for making available the land & buildings needed to provide the services passed to the PFI contractor.

As BMBC was originally deemed to control the services provided under its PFI schemes and as ownership of the land & buildings would pass to BMBC at the end of the contracts for no additional charge, BMBC originally carried those assets used in delivering the services on its own balance sheet. On transfer of those assets from BMBC to the Trust, BMBC derecognised those assets from its balance sheet as disposals for nil consideration. Following those transfers, since the substance of the PFI agreement is now similar for the Trust as previously for BMBC and to ensure consistency of accounting treatment between BMBC and the Trust, those assets are treated as acquired from BMBC on conversion to academy status and recorded at fair value at date of acquisition in the Trust accounts.

Notwithstanding the de-recognition / disposal of the assets, BMBC has retained as a finance lease liability its total obligation to the contractor under these PFI agreements. In order to ensure consistency of accounting treatment between BMBC and the Trust payments made by the Trust to BMBC or the contractor in respect of these agreements are therefore treated as operating lease payments. These payments represent annual charges under the PFI agreement which are subject to a fixed formula but will vary over time; therefore, the annual charges are expensed to the Statement of Financial Activities in the year to which they relate as this treatment is considered to be more appropriate than recognition on a straight line basis.

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Donations	150	-	150	11,422
Grants	-	56,890	56,890	111,338
	<u>150</u>	<u>56,890</u>	<u>57,040</u>	<u>122,760</u>

Grants received, included in the above, are as follows:

	2020 £	2019 £
Capital grants	<u>56,890</u>	<u>111,338</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Grants	-	10,090,874	10,090,874	8,514,245
Visits	86,318	-	86,318	77,264
Catering	99,544	-	99,544	145,166
Music tuition fees	8,100	-	8,100	10,825
	<u>193,962</u>	<u>10,090,874</u>	<u>10,284,836</u>	<u>8,747,500</u>

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
DfE/ESFA revenue grant				
General Annual Grant (GAG)	-	7,618,070	7,618,070	6,507,021
Other ESFA grants	-	541,615	541,615	177,059
Pupil Premium	-	714,541	714,541	680,162
PFI Income	-	284,839	284,839	277,946
Universal Infant Free School Meals	-	245,296	245,296	209,579
	-	9,404,361	9,404,361	7,851,767
Other government grant				
Early years funding	-	539,209	539,209	502,634
Other LA funding	-	-	-	4,500
High Needs Funding	-	147,304	147,304	155,344
	-	686,513	686,513	662,478
	-	10,090,874	10,090,874	8,514,245

There are no unfulfilled conditions at the year end with regards to the amounts included in the above government grants.

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Other income	<u>210,805</u>	<u>-</u>	<u>210,805</u>	<u>117,114</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2020 Total funds £	2019 Total funds £
Bank interest	<u>3,976</u>	<u>-</u>	<u>3,976</u>	<u>4,280</u>

6. EXPENDITURE

	Staff costs £	Non-pay expenditure		2020 Total £	2019 Total £
		Premises £	Other costs £		
Charitable activities					
Academies educational operations					
Direct costs	7,669,695	-	927,586	8,597,281	7,255,611
Allocated support costs	<u>1,086,513</u>	<u>1,004,371</u>	<u>703,112</u>	<u>2,793,996</u>	<u>2,484,354</u>
	8,756,208	1,004,371	1,630,698	11,391,277	9,739,965
Transfer from Local Authority on conversion	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>779,289</u>
	<u>8,756,208</u>	<u>1,004,371</u>	<u>1,630,698</u>	<u>11,391,277</u>	<u>10,519,254</u>

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

6. EXPENDITURE - continued

Net income/(expenditure) is stated after charging/(crediting):

	2020	2019
	£	£
Auditors' remuneration	28,500	32,981
Internal audit services	1,950	1,650
Depreciation - owned assets	308,723	259,133
Other operating leases	42,635	38,483
Operating lease rentals - PFI charges	475,888	465,699
Operating lease rentals - building leasing charges	<u>11,836</u>	<u>12,847</u>

Included in premises costs within allocated support costs is £72,679 (2019: £9,554) relating to improvements to diocesan property occupied by the Academy Trust which have been by funded by CIF capital grants.

In 2019, of the total expenditure, £414,351 was to unrestricted funds and £9,325,614 was to restricted funds.

Of the £475,888 PFI charges (2019: £465,699), £284,839 was reimbursed by the ESFA as PFI affordability gap income (2019: £277,946).

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
	£	£	£	£
Direct costs	309,349	8,287,932	8,597,281	7,255,611
Support costs	<u>99,544</u>	<u>2,694,452</u>	<u>2,793,996</u>	<u>2,484,354</u>
	<u>408,893</u>	<u>10,982,384</u>	<u>11,391,277</u>	<u>9,739,965</u>

	2020 Total	2019 Total
	£	£
Analysis of support costs		
Support staff costs	1,038,098	904,341
Depreciation	46,161	27,085
Technology costs	85,308	96,587
Premises costs	998,804	786,835
Other support costs	534,083	549,941
Governance costs	<u>91,542</u>	<u>119,565</u>
Total support costs	<u>2,793,996</u>	<u>2,484,354</u>

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

8. TRUSTEES' REMUNERATION AND BENEFITS

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:

		2020	2019
T Gulliver	Remuneration	—	60,000 - 65,000
	Pension contributions paid	—	10,000 - 15,000
M Priestley	Remuneration	75,000 - 80,000	70,000 - 75,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000
S J C Walls	Remuneration	65,000 - 70,000	—
	Pension contributions paid	15,000 - 20,000	—

T Gulliver resigned as a trustee on 1 September 2019, S J C Walls was appointed as a trustee on 1 September 2019.

Trustees' expenses

During the year ended 31 August 2020, expenses totalling £804 (2019: £925) were reimbursed to 1 Trustee (2019: 1)

9. STAFF COSTS

	2020 £	2019 £
Wages and salaries	6,177,836	5,551,947
Social security costs	492,772	415,389
Operating costs of defined benefit pension schemes	<u>1,868,273</u>	<u>1,185,597</u>
	8,538,881	7,152,933
Supply teacher costs	208,313	183,279
Compensation payments	<u>9,014</u>	<u>33,727</u>
	<u>8,756,208</u>	<u>7,369,939</u>

Included in wages and salaries is £138,000 (2019: £116,000) relating to pension interest.

Included in social security costs is £15,265 (2019: £10,478) relating to the apprenticeship levy.

Staff restructuring costs comprise:

	2020 £	2019 £
Severance payments	<u>9,014</u>	<u>33,727</u>

There was one settlement agreement made during the year and the payment totalling £9,014 was made during the year (included in 2019 were 2 settlement agreements totalling £33,727 with £3,727 being included as an accrual at 31/08/19 and paid during this year).

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

9. STAFF COSTS

The average number of persons employed by the academy during the year expressed as full-time equivalents:

	2020	2019
Teachers	78	88
Teaching assistants	100	103
Administration and support	35	43
Management	<u>10</u>	<u>11</u>
	<u>223</u>	<u>245</u>

The key management personnel of the Academy trust comprise the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust for the year was £759,643 (2019: £606,737).

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2020	2019
Teachers	88	102
Teaching assistants	140	143
Administration and support	87	110
Management	<u>10</u>	<u>11</u>
	<u>325</u>	<u>366</u>

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

	2020	2019
£60,001 - £70,000	6	6
£70,001 - £80,000	<u>2</u>	<u>1</u>
	<u>8</u>	<u>7</u>

The above employees all had retirement benefits accruing under the defined Teachers' Pension Scheme and Local Government Pension Scheme.

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one executive or organisation liability claim and £250,000 on any one employment practices liability claim.

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	11,422	-	111,338	122,760
Charitable activities				
Funding for the academy's educational operations	233,255	8,514,245	-	8,747,500
Other trading activities	117,114	-	-	117,114
Investment income	<u>4,280</u>	<u>-</u>	<u>-</u>	<u>4,280</u>
Total	366,071	8,514,245	111,338	8,991,654
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	414,351	9,066,481	259,133	9,739,965
Transfer from Local Authority on conversion	<u>(32,349)</u>	<u>912,997</u>	<u>(101,359)</u>	<u>779,289</u>
Total	382,002	9,979,478	157,774	10,519,254
NET INCOME/(EXPENDITURE)	(15,931)	(1,465,233)	(46,436)	(1,527,600)
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>(2,148,000)</u>	<u>-</u>	<u>(2,148,000)</u>
Net movement in funds	(15,931)	(3,613,233)	(46,436)	(3,675,600)
RECONCILIATION OF FUNDS				
Total funds brought forward	526,063	(3,979,472)	8,472,796	5,019,387
TOTAL FUNDS CARRIED FORWARD	<u>510,132</u>	<u>(7,592,705)</u>	<u>8,426,360</u>	<u>1,343,787</u>

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

12. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- education support services and strategic guidance; and
- others as arising

The Academy Trust charges for these services on the following basis as a flat percentage of school budget income varying from 5.5% to 6%.

The actual amounts charged during the year were as follows:

	2020	2019
	£	£
St Mary's CE Primary School	59,233	56,922
All Saints Academy	63,771	63,359
Queens Road Academy	75,842	73,842
West Meadows Primary School	67,748	68,086
Darton Primary School	79,864	77,673
The Mill Academy	67,619	66,253
Royston St John Baptist CE Primary	59,562	60,878
Dodworth CE Primary Academy	57,135	-
Elsecar Primary	46,216	-
	<hr/>	<hr/>
Total	576,990	467,013
	<hr/>	<hr/>

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

13. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 September 2019 and 31 August 2020	<u>29,963</u>
AMORTISATION	
At 1 September 2019 and 31 August 2020	<u>29,963</u>
NET BOOK VALUE	
At 31 August 2020	<u>-</u>
At 31 August 2019	<u>-</u>

14. TANGIBLE FIXED ASSETS

	Long leasehold £	Furniture and equipment £	Computer equipment £	Totals £
COST				
At 1 September 2019	9,039,434	127,760	523,047	9,690,241
Additions	<u>7,741</u>	<u>9,685</u>	<u>45,368</u>	<u>62,794</u>
At 31 August 2020	<u>9,047,175</u>	<u>137,445</u>	<u>568,415</u>	<u>9,753,035</u>
DEPRECIATION				
At 1 September 2019	1,027,659	67,056	372,067	1,466,782
Charge for year	<u>202,670</u>	<u>10,608</u>	<u>95,445</u>	<u>308,723</u>
At 31 August 2020	<u>1,230,329</u>	<u>77,664</u>	<u>467,512</u>	<u>1,775,505</u>
NET BOOK VALUE				
At 31 August 2020	<u>7,816,846</u>	<u>59,781</u>	<u>100,903</u>	<u>7,977,530</u>
At 31 August 2019	<u>8,011,775</u>	<u>60,704</u>	<u>150,980</u>	<u>8,223,459</u>

Leasehold land and buildings includes land of £877,340 which is not depreciated. See 'tangible fixed assets' accounting policy for further information relating to the treatment of the church school premises.

15. STOCKS

	2020 £	2019 £
Sundry items	<u>300</u>	<u>300</u>

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	3,633	6,943
Other debtors	587	1,018
VAT	279,815	92,386
Prepayments and accrued income	<u>262,391</u>	<u>533,437</u>
	<u>546,426</u>	<u>633,784</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	183,139	311,390
Other creditors	32,397	16,496
Accruals and deferred income	<u>271,045</u>	<u>326,497</u>
	<u>486,581</u>	<u>654,383</u>

	2020	2019
	£	£
Deferred income		
Deferred income as at 1 September 2019	191,682	156,666
Resources deferred during the year	145,516	191,682
Amounts released from previous years	<u>(191,682)</u>	<u>(156,666)</u>
Deferred income as at 31 August 2020	<u>145,516</u>	<u>191,682</u>

The main components of deferred income are monies collected prior to 31 August 2020 for 2020/21 academy trips (£11,946) and universal infant free school meal funding received in July 2020 for September 2020 (£133,570).

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	522,463	503,615
Between one and five years	1,892,961	1,894,500
In more than five years	<u>3,158,578</u>	<u>3,495,432</u>
	<u>5,574,002</u>	<u>5,893,547</u>

The Trust receives funding from the ESFA in relation to the land and buildings PFI lease commitment which amounts to £5,523,246 of the above lease commitment. The Trust expects to receive an annual amount from the ESFA in relation to this agreement and in the year to 31 August 2020 the Trust expects the annual income to be £289,311 from the ESFA.

19. 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.

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset £	2020 Total funds £
Fixed assets	-	-	7,977,530	7,977,530
Current assets	510,132	824,694	194,392	1,529,218
Current liabilities	-	(454,184)	(32,397)	(486,581)
Pension liability	-	(8,968,000)	-	(8,968,000)
	<u>510,132</u>	<u>(8,597,490)</u>	<u>8,139,525</u>	<u>52,167</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset £	2019 Total funds £
Fixed assets	-	-	8,223,459	8,223,459
Current assets	572,321	876,938	228,452	1,677,711
Current liabilities	(62,189)	(566,643)	(25,551)	(654,383)
Pension liability	-	(7,903,000)	-	(7,903,000)
	<u>510,132</u>	<u>(7,592,705)</u>	<u>8,426,360</u>	<u>1,343,787</u>

21. MOVEMENT IN FUNDS

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

	Balance at 1 September 2019	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2020
Restricted general funds						
General Annual Grant (GAG)	259,203	7,902,909	(7,808,900)	-	-	353,212
Other DfE grant	68,796	1,501,452	(1,570,248)	-	-	-
Other restricted grants	12,298	686,513	(686,513)	-	-	12,298
Conversion grants	5,000	-	-	-	-	5,000
Pension	(7,903,000)	-	(608,000)	-	(457,000)	(8,968,000)
	<u>(7,557,703)</u>	<u>10,090,874</u>	<u>(10,673,661)</u>	<u>-</u>	<u>(457,000)</u>	<u>(8,597,490)</u>
Restricted fixed asset funds						
Assets transferred on conversion	7,826,111		(184,690)	-	-	7,641,421
Expenditure from other funds	285,530		(37,198)	-	-	248,332
DfE capital grants	275,936	56,890	(86,835)	-	-	245,991
Other capital donations	3,781			-	-	3,781
	<u>8,391,358</u>	<u>56,890</u>	<u>(308,723)</u>	<u>-</u>	<u>-</u>	<u>8,139,525</u>
Total restricted funds	833,655	10,147,764	(10,982,384)	-	(457,000)	(457,965)
Total unrestricted funds	510,132	408,893	(408,893)	-	-	510,132
Total funds	1,343,787	10,556,657	(11,391,277)	-	(457,000)	52,167

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

21. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	Balance at 1 September 2018	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 August 2019
Restricted general funds						
General Annual Grant (GAG)	216,528	6,784,967	(6,777,294)	35,002	-	259,203
Other DfE grant	-	1,066,800	(998,004)	-	-	68,796
Other restricted grants	-	662,478	(650,180)	-	-	12,298
Conversion grants	5,000	-	-	-	-	5,000
Pension	(4,201,000)	-	(1,554,000)	-	(2,148,000)	(7,903,000)
	<u>(3,979,472)</u>	<u>8,514,245</u>	<u>(9,979,478)</u>	<u>35,002</u>	<u>(2,148,000)</u>	<u>(7,557,703)</u>
Restricted fixed asset funds						
Assets transferred on conversion	7,945,608	-	(119,497)	-	-	7,826,111
Expenditure from other funds	221,688	-	(23,677)	87,519	-	285,530
DfE capital grants	301,719	111,338	(14,600)	(122,521)	-	275,936
Other capital donations	3,781	-	-	-	-	3,781
	<u>8,472,796</u>	<u>111,338</u>	<u>(157,774)</u>	<u>(35,002)</u>	<u>-</u>	<u>8,391,358</u>
Total restricted funds	4,493,324	8,625,583	(10,137,252)		(2,148,000)	833,655
Total unrestricted funds	526,063	366,071	(382,002)		-	510,132
Total funds	5,019,387	8,991,654	(10,519,254)	-	(2,148,000)	1,343,787

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

1. Restricted general funds must be used for the normal running costs of the Academy in line with the Master Funding Agreement and restrictions from other sources of funding. The transfer between restricted funds and restricted fixed asset funds relates to fixed asset purchased from GAG.
2. Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the Trust.

The restricted pension fund is in deficit to the value of £8,968,000 as at 31 August 2020, which is in excess of the unrestricted funds. However this deficit has been inherited upon conversion of the Trust's schools to Academy status together with movement on the actuarial valuation since conversion, and is being funded by additional contributions over periods up to 20 years following conversion. The trustees will continue to monitor this situation closely.

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 2020.

Analysis of academies by fund balance

Total reserves before fixed asset fund and pension reserve are not split between academies as closing reserves are pooled to the Academy Trust, not to individual academies. Closing reserves are spent as the Academy Trust sees fit to benefit pupils.

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

21. MOVEMENT IN FUNDS - continued

Analysis of academies by cost

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	Total 2019
St Mary's CE Primary School	772,345	75,773	22,725	156,118	1,026,961	942,206
All Saints Academy	831,545	107,220	30,508	188,478	1,157,750	1,159,100
Queens Road Academy	968,213	70,390	29,236	323,938	1,391,777	1,282,917
West Meadows Primary	909,010	88,833	37,064	153,022	1,187,928	1,192,206
Darton Primary School	906,143	67,399	47,156	419,698	1,440,396	1,381,786
The Mill Academy	941,566	130,555	33,321	187,423	1,292,865	1,240,528
Royston St John CE Primary	718,060	122,437	22,350	136,044	998,891	1,180,096
Dodworth CE Primary	796,495	58,360	32,246	163,883	1,050,984	262,198
Elsecar Primary	593,043	50,020	30,793	178,695	852,552	193,260
Central Services	238,033	318,107	55,235	71,073	682,448	682,950
	7,674,454	1,089,094	340,632	1,978,373	11,082,553	9,517,247

22. PENSION AND SIMILAR OBLIGATIONS

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

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

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

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2020

22. PENSION AND SIMILAR OBLIGATIONS - continued

Valuation of the Teachers' Pension Scheme

Not less than every 4 years, the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22 billion;
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The employer's pension costs paid to TPS in the period amounted to £800,651 (2019 - £463,936).

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 2020 was £519k (2019: £439k), of which employer's contributions totalled £383k (2019: £317k) and employees' contributions totalled £136k (2019: £122k). The agreed contribution rates for future years are 15% for employers and 5.5% to 12.5% for employees.

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

As the LGPS is in deficit the Trust entered into a 20 year agreement, based on actuarial advice, to make additional contributions in addition to normal funding levels. In the year ended 31 August 2020 additional contributions totalled £209,291 (2019: £246,583).

St Mary's Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2020

22. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Present value of funded obligations	(15,466,000)	(13,463,000)
Fair value of plan assets	<u>6,498,000</u>	<u>5,560,000</u>
	<u>(8,968,000)</u>	<u>(7,903,000)</u>
Deficit	<u>(8,968,000)</u>	<u>(7,903,000)</u>
Liability	<u>(8,968,000)</u>	<u>(7,903,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Current service cost	936,000	643,000
Net interest from net defined benefit asset/liability	138,000	116,000
Past service cost	<u>1,000</u>	<u>336,000</u>
	<u>1,075,000</u>	<u>1,095,000</u>
Actual return on plan assets	<u>387,000</u>	<u>354,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening defined benefit obligation	13,463,000	8,274,000
Current service cost	936,000	643,000
Past service cost	1,000	336,000
Contributions by scheme participants	135,000	123,000
Interest cost	243,000	241,000
Actuarial losses/(gains)	739,000	2,377,000
Benefits paid	(51,000)	(48,000)
Business combinations	<u>-</u>	<u>1,517,000</u>
	<u>15,466,000</u>	<u>13,463,000</u>

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

**22. PENSION AND SIMILAR OBLIGATIONS
- continued**

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Opening fair value of scheme assets	5,560,000	4,073,000
Contributions by employer	479,000	492,000
Contributions by scheme participants	135,000	123,000
Interest income	105,000	125,000
Actuarial gains/(losses)	282,000	229,000
Benefits paid	(51,000)	(48,000)
Business combinations	-	574,000
Administrative expenses	(12,000)	(8,000)
	<u>6,498,000</u>	<u>5,560,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Actuarial (losses)/gains	<u>(457,000)</u>	<u>(2,148,000)</u>
	<u>(457,000)</u>	<u>(2,148,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2020	2019
	£	£
Equities	3,080,000	2,907,000
Government bonds	955,000	795,000
Other bonds	572,000	406,000
Property	546,000	484,000
Cash and other liquid assets	234,000	178,000
Other	<u>1,111,000</u>	<u>790,000</u>
	<u>6,498,000</u>	<u>5,560,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2020	2019
Discount rate	1.8%	1.8%
Future salary increases	3.55%	3.25%
Future pension increases	2.4%	2.1%
Inflation assumption	2.3%	2%

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2020**

**22. PENSION AND SIMILAR OBLIGATIONS
- continued**

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

	2020	2019
Retiring today		
Males	22.4	23.1
Females	25.2	25.9
Retiring in 20 years		
Males	23.9	25.3
Females	27.1	28.3

	At 31 August 2020 £	At 31 August 2019 £
Sensitivity analysis		
Discount rate +0.1%	(343,000)	(317,000)
Discount rate -0.1%	351,000	325,000
Mortality assumption - 1 year increase	438,000	239,000
Mortality assumption - 1 year decrease	(426,000)	(235,000)
CPI rate +0.1%	351,000	326,000
CPI rate -0.1%	(343,000)	(318,000)

23. CAPITAL COMMITMENTS

	2020 £	2019 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

24. RELATED PARTY DISCLOSURES

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