Company Registration Number: 07696498 (United Kingdom)

ST MARY'S CATHOLIC PRIMARY SCHOOL, CHURCHDOWN

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

Bishop Fleming

ST MARY'S CATHOLIC PRIMARY SCHOOL, CHURCHDOWN
(A COMPANY LIMITED BY GUARANTEE)

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The following pages do not form part of the statutory financial statements:

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Richard Wallace The Clifton Catholic Diocesan Education Committee Declan Lang, Bishop of Clifton
Trustees	Richard Wallace, Chair[1] Moira Pratt, Vice Chair[2,3] Jonathan Allen[1,2] Anne Fullerton[1,2,3] Benjamin Jones[1,2] Liam Jordan, Head Teacher[1,2,3] Paul Kehoe[2,3] Jessica Martin (appointed 1 February 2019)[3] Nickita Moran[1,3] Kerry Shearman (appointed 10 March 2019)[2] Anthony Wadley Frances Walker[3] Margaret Collins (resigned 8 October 2018) Janelle Reyes-Goddard (resigned 1 June 2019)[1,3] [1] Finance & Resources Committee [2] Curriculum and Standards Committee [3] Mission & Wellbeing Committee
Company registered number	07696498
Company name	St Mary's Catholic Primary School, Churchdown
Principal and registered office	Cheltenham Road East Churchdown Gloucester GL3 1HU
Company secretary	Siobhan Padfield
Chief executive officer	Liam Jordan
Senior Leadership Team	Liam Jordan, Headteacher Anne Fullerton, Deputy Headteacher Jenny Fredrickson, Senior Teacher Carolyn Coughlan, School Business Manager
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Solicitors	Harrison Clark Rickerbys Ellenborough House Wellington Street Cheltenham Gloucestershire GL50 1YD

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 4 to 11 in Churchdown, Gloucester. It has a pupil capacity of 210 and had a roll of 218 in the school census of May 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of St Mary's Catholic Primary School, Churchdown are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and co opted under the terms of the Articles of Association. Trustees are elected for four years. Foundation Governors (Trustees) are appointed by the Diocese and can apply to be reinstated at the end of their term. Parent and Staff Governors are elected by secret ballot and can put themselves forward to be re elected. Trustees retire by rotation at the end of their four years unless they give notice beforehand.

Policies and Procedures Adopted for the Induction and Training of Trustees

During the 12 month period under review the Trustees met four times. Each Committee met several times during the 12 month period.

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction is provided on charity and educational, legal and financial matters. All new Trustees will be given a tour of the Academy and the chance to meet with staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, strategic plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational Structure

The Governing Body has established a number of committees (Finance & Resources, Mission & Wellbeing and Curriculum & Standards) to review policies and performance of the school in all areas. Members of the Governing Body sit on the committees and panels. The Head Teacher also attends every committee meeting along with other members of the school's Senior Leadership Team (as appropriate). Reports from each of the committees is received and discussed at every meeting of the full Governing body.

Development Plan and Budget

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, Senior Teacher and the School Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance. As a group the leadership team are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment decisions for management posts always contain a Governor. Some spending control is devolved to members of the teaching staff who each have budgets. The School Business Manager countersigns all spending requests. Any budget overspends must be authorised by the Headteacher

The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

There were no expenses paid to Trustees in the financial year. Related party transactions are disclosed in the notes to the accounts.

Connected Organisations, including Related Party Relationships

St Mary's Playgroup uses the Elliot building and 'Dance, Dance, Dance' use the school hall. The school has a hire agreement with both organisations.

St Dominic's Catholic Primary School is a related party as Mr Kehoe was a Trustee of both St Mary's and St Dominic's. Mr Jordan (Head Teacher) was also Interim Executive Head Teacher at St Dominic's (June 2019-September 2019). St Dominic's made payments to St Mary's to reimburse the school for the support provided.

St Mary's Catholic Primary School, Churchdown does not have a sponsoring organisation.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal objective and activity of the academy is the operation of St Mary's Catholic Primary school, Churchdown to advance, for the public benefit, education for students of different abilities between the ages of 4 and 11. The school aims to offer "more than a visible curriculum" by enriching pupils' experience of school with extensive opportunities for extra curricular activities and a wide range of educational trips.

In accordance with the Articles of Association the Academy's object is to advance for the public benefit education in the United Kingdom. Establish, maintain and develop a Catholic school which offers a broad and balanced curriculum.

The main objectives of the Academy during the year ended 31 August 2019 are summarised below:

- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to build on the legacy of the school's achievements;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Financial objectives
The Academy's financial objectives are:

- to achieve a consistently balanced budget on a long-term basis;
- to manage funding available for the benefit of current learners;
- to invest in the maintenance and renewal of the school's facilities and infrastructure to provide excellent learning and teaching facilities.

Objectives, Strategies and Activities
Key priorities for the year were identified in the School Development Plan as follows:

- To increase the proportion of boys achieving 'Greater Depth' in writing by the end of KS2 (to above/well above national average).
- To increase the proportion of pupils (specifically boys) achieving the Good Level of Development (GLD) measure by the end of EYFS (to above/well above national average).
- To increase overall proportion of pupils who achieve age related expectations in reading and writing by the end of Year 2 (to above/well above national averages).
- To continue to develop a whole school 'Mastery' learning & teaching approaches (particularly focussed upon Key Stage 1) to raise pupil achievement (primarily through maths but to be trialled and extended to other curriculum areas).
- To develop a comprehensive, targeted and holistic approach, to supporting identified vulnerable pupils across the age ranges.
- To ensure that pupils and staff are able to access, and effectively utilise, available computing resources and that IT enhances learning and teaching experiences across the curriculum.

Public Benefit
The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance
The Academy was established on 1 August 2011 following the conversion of St Mary's Catholic Primary School from a Voluntary Aided School.

The number of pupils on roll for the year ending 31st August 2019 was 217. There is a waiting list for places.

Pupil Achievement: Formal outcomes 2019

EYFS (Reception)

Pupils are assessed across seventeen different areas of learning. These areas are referred to as Early Learning Goals (ELGs). If a child achieves the expected standard in the three prime areas of learning (communication and language; physical development; and personal, social and emotional development) and the specific ELGs for maths and English then they are judged to have achieved a 'Good Level of Development'.

90% of pupils (26 of 29) achieved the 'Good Level of Development' measure. The National Average figure for 2018 was 71.5%.

28% of pupils (8 of 29) demonstrated skills that are HIGHER than typical for their age (exceeding GLD measure).

2019	Reading	Writing	Number	SSM
# Pupils Achieving the ELG	28	26	27	27
%	96	90	93	93
National 2017	*76*	*73*	*78*	*78*
# Pupils Exceeding the ELG	11	8	12	7
%	40	28	41	24

Phonics Screening Check (Year 1)

Year 1 pupils sat the phonics screening check in June. We are pleased to report that 90% of pupils (27 of 30) achieved the required standard (the National Average in 2018 was 82%. Those pupils who did not achieve the standard will receive targeted support and resit the check next year.

Five Year 2 pupils resat the phonics check. 80% of pupils achieved the required standard (4 of 5). The pupil who did not achieve the standard continue with the programme in Year 3.

End of Key Stage 1 (Year 2)

Pupil attainment is recorded in relation to the 'expected standard' for the end of Key Stage 1 (introduced in 2016). Pupils sit tests in reading, GPS (Grammar, Punctuation & Spelling) and maths; these tests produce a 'scaled score' (with 100 representing the 'expected standard') and are used to inform the Teacher Assessment judgement made for each pupil.

	% of pupils		% of pupils at /above EXS		% of pupils at /above EXS
Reading	EXS+ 90 (2018 77) High Score 27% (30)	Writing	EXS+ 83 (2018 70) Greater Depth 20% (23)	Maths	EXS+90 (2018 83) High Score 30% (23)
NA 2018	ARE+ 75 (High 26)		ARE+69 (High 16)		76 (22)
	Average scaled score		Average scaled score		Average scaled score
% of pupils at /above EXS in all of R/W/M 83% (25/30 pupils) % of pupils working at Higher standard /Greater Depth in all of R/W/M 17% (5/30 pupils)					

End of Key Stage 2 (Year 6)

Pupil attainment is recorded in relation to the 'expected standard' for the end of Key Stage 2 (introduced in 2016). Pupils sit tests in reading, GPS (Grammar, Punctuation & Spelling) and maths; these tests produce a 'scaled score' (with 100 representing the 'expected standard') and are used to inform the Teacher Assessment judgement made for each pupil. Pupils' writing attainment is based upon Teacher Assessment and pupils are required to meet all the assessment criteria in order to be judged as meeting the standard. A higher standard 'greater depth' assessment can be awarded in writing.

Reading	Writing	GPS	
% of pupil at /above EXS	% of pupil at /above EXS	% of pupil at /above EXS	% of pupil at /above EXS
90% (NA 73%) 17+%	87% (NA 78%) +9%	97% (NA 78%) +19%	97% (NA 79%) +18%
% 'High Scoring'	% 'Greater Depth	% 'High Scoring'	% 'High Scoring
39% (NA TBC %) +%	13% (NA TBC%) %	48% (NA TBC%) %	39% (NA TBC%) +%
>Average scaled score	Average scaled score	Average scaled score	Average scaled score
108 (NA 104.0) +2.7	-	111 (NA 106.0) +3.5	109 (NA 105.0) +3.0
>Progress	Progress	Progress	Progress
+2.1 (NA 0) Average (CI -0.1 to 4.3)	-0.6 (NA 0) Average (CI -2.6 to 1.5)	-	+3.0 (NA 0) Well Above (CI 1.1 to 4.9)

GPS= Grammar, Punctuation & Spelling test

% of pupils at /above EXS in all of R/W/M 81 % (25 of 31) (NA 65%) +16%

Key Performance Indicators
The Academy is committed to observing the importance of performance indicators, to ensure that it continues to strive for both educational and financial excellence. In its latest inspection (Nov 2007), Ofsted concluded that St Mary's Catholic Primary was an 'Outstanding' school.

Note: Grade 1 is 'Outstanding'.

The Academy is also monitored through the completion and submission of various returns to the ESFA.

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

FINANCIAL REVIEW

Financial Review
Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

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

During the year ended 31 August 2019, the Academy received total income of £1,106,402 and incurred total expenditure of £1,146,485. The deficit of income against expenditure (excluding restricted fixed asset fund) for the year was £29,105.

At 31 August 2018 the net book value of fixed assets was £318,765 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 21 to the financial statements.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review. The Academy aims to hold at least at least £50,000 of free reserves.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

Investment Policy

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short-term requirements. The Trustees have authorised the opening of additional short-term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Principal Risks And Uncertainties

The Academy continues to undertake work to further develop systems of internal control, including financial, operational and risk management designed to protect the Academy's assets and reputation.

The Premises committee of the governing body has a remit to identify and manage risk and is currently updating the Academy's risk register which identifies the risks to which the Academy is exposed. This will also identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

1. Government funding

The Academy has considerable reliance on continued Government funding through the ESFA. In the period under review, 86% of the Academy's revenue was ultimately public funded and this level of requirement is expected to continue. There can be no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Indeed the Government is currently consulting on a revised system of school funding.

This risk is mitigated in a number of ways:

- By ensuring the Academy is rigorous in delivering high quality education, the school continually has a waiting list for places; and
- Continuing to monitor Government funding proposals and make provision accordingly.

2. Pupil Numbers

Pupil numbers have been fairly constant over the past few years. Funding is based on the numbers of pupils on roll. The Catholic ethos of the school, the school's reputation and consistently high SATs results continue to make the school popular. The school is oversubscribed and there are established waiting lists for the majority of classes. Demand for places outstrips availability. There are currently no classes with available pupil places within published admission numbers across the school.

3. Academic performance

Any sudden decline in academic standards could have a significant impact on the school's reputation, Ofsted rating and ultimately attractiveness to pupils and parents. Close attention is paid to targeting of pupil achievements and tracking of progress made towards targets by individuals, groups and cohorts of pupils. Progress towards pupil achievement and teacher performance management targets is reviewed termly with teachers. Specific action is taken to address any aspects of projected under performance. The Headteacher, Senior Leadership Team and Curriculum committee are responsible for monitoring academic performance.

4. Maintain adequate funding of pension liabilities

The financial statements report the share of the pension scheme deficit on the Academy's balance sheet in line with the requirements of FRS 17. Whilst this currently shows a large liability, the Governors do not believe this poses any risk to the school as the pension scheme has many contributing members and no pensions in payment. The liability is therefore anticipated to reduce steadily.

FUNDRAISING

Events are arranged by FOSM (Friends of St Mary's) to provide additional resources and opportunities to advance and enrich the education of the pupils of the school. All events support the school's ethos and are approved by the Headteacher. A member of school staff attends all events to ensure fundraising conforms to recognised school standards.

The school raised funds during the year for Save the Children, CAFOD, Royal British Legion and The Shoebox Appeal.

Any complaints regarding fundraising will be dealt with following the Academy's usual policy as set out on the website.

PLANS FOR FUTURE PERIODS

The Academy will continue striving to maintain levels of academic performance and has rigorous targets and monitoring strategies in place to achieve this.

The Academy is continually assessing the quality of service and value for money of external services currently bought in from the Local Authority and other organisations.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

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 charity'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 charity's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 3.12.19 and signed on its behalf by:

Richard Wallace
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Mary's Catholic Primary School, Churchdown and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Richard Wallace, Chair	5	5
Moira Pratt, Vice Chair	4	5
Jonathan Allen	4	5
Anne Fullerton	3	5
Benjamin Jones	5	5
Liam Jordan, Head Teacher	5	5
Paul Kehoe	4	5
Jessica Martin	1	2
Nickita Moran	5	5
Kerry Shearman	2	2
Anthony Wadley	3	5
Frances Walker	5	5
Margaret Collins	0	0
Janelle Reyes-Goddard	3	4

The Finance and Resources Committee is a sub-committee of the main Board of Trustees.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Richard Wallace	5	5
Liam Jordan	5	5
Nickita Moran	2	5
Jonathan Allen	5	5
Anne Fullerton	3	5
Janelle Reyes-Goddard	2	5
Benjamin Jones	3	5
Paul Kehoe	3	3

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management
- Value for money purchasing
- Reviewing quality of curriculum provision and quality of teaching

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mary's Catholic Primary School, Churchdown for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have agreed to have a reciprocal arrangement with 2 other schools to cover the role of Responsible Officer/Peer Review. This fulfils the internal audit function, whilst sharing best practice with regard to financial management processes. This includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. Checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/ bank account reconciliations

The Peer Reviewer reports to the Finance Committee and Governing body on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the Board of Trustees on 3.12.19 and signed on their behalf by:

Richard Wallace	Liam Jordan
Chair of Trustees	Accounting Officer

ST MARY'S CATHOLIC PRIMARY SCHOOL, CHURCHDOWN
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of St Mary's Catholic Primary School, Churchdown I have considered my responsibility to notify the Academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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.

Liam Jordan
Accounting Officer

Date: 2.12.19

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:

Richard Wallace
Chair of Trustees

Date: 3.12.19

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MARY'S CATHOLIC PRIMARY SCHOOL, CHURCHDOWN

OPINION

We have audited the financial statements of St Mary's Catholic Primary School, Churchdown (the 'academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MARY'S CATHOLIC PRIMARY SCHOOL, CHURCHDOWN (CONTINUED)

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST MARY'S CATHOLIC PRIMARY SCHOOL, CHURCHDOWN (CONTINUED)

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

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

Simon Morrison FCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 12/12/2017

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MARY'S CATHOLIC PRIMARY SCHOOL, CHURCHDOWN AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 19 April 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Mary's Catholic Primary School, Churchdown during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St Mary's Catholic Primary School, Churchdown 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 Catholic Primary School, Churchdown and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Mary's Catholic Primary School, Churchdown and ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ST MARY'S CATHOLIC PRIMARY SCHOOL, CHURCHDOWN'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of St Mary's Catholic Primary School, Churchdown's funding agreement with the Secretary of State for Education dated 7 June 2011 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MARY'S CATHOLIC PRIMARY SCHOOL, CHURCHDOWN AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

S. M

Simon Morrison FCA

Bishop Fleming Bath Limited
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 12/12/2019

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	4	2,493	65,000	3,000	70,493	60,233
Charitable activities		51,762	920,540	-	972,302	988,884
Other trading activities		42,506	-	-	42,506	57,205
Investments	7	94	-	-	94	80
TOTAL INCOME		96,855	985,540	3,000	1,085,395	1,106,402
EXPENDITURE ON:						
Raising funds		20,103	-	-	20,103	19,657
Charitable activities		71,603	1,017,655	13,538	1,102,796	1,126,828
TOTAL EXPENDITURE		91,706	1,017,655	13,538	1,122,899	1,146,485
NET INCOME/ (EXPENDITURE)		5,149	(32,115)	(10,538)	(37,504)	(40,083)
Transfers between funds	18	-	(6,610)	6,610	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		5,149	(38,725)	(3,928)	(37,504)	(40,083)
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	23	-	(259,000)	-	(259,000)	97,000
NET MOVEMENT IN FUNDS		5,149	(297,725)	(3,928)	(296,504)	56,917
RECONCILIATION OF FUNDS:						
Total funds brought forward		59,145	(268,811)	318,765	109,099	52,182
Net movement in funds		5,149	(297,725)	(3,928)	(296,504)	56,917
TOTAL FUNDS CARRIED FORWARD		64,294	(566,536)	314,837	(187,405)	109,099

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 24 to 46 form part of these financial statements.

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note		2019 £		2018 £
FIXED ASSETS					
Tangible assets	14		314,837		318,765
CURRENT ASSETS					
Stocks		2,016		2,016	
Debtors	15	24,895		24,302	
Cash at bank and in hand		146,517		130,046	
		173,428		156,364	
Creditors: amounts falling due within one year	16	(77,670)		(78,030)	
NET CURRENT ASSETS			95,758		78,334
TOTAL ASSETS LESS CURRENT LIABILITIES			410,595		397,099
Defined benefit pension scheme liability	23		(598,000)		(288,000)
TOTAL NET ASSETS			(187,405)		109,099
FUNDS OF THE ACADEMY					
Restricted funds:					
Fixed asset funds	18	314,837		318,765	
Restricted income funds	18	31,464		19,189	
Restricted funds excluding pension asset	18	346,301		337,954	
Pension reserve	18	(598,000)		(288,000)	
Total restricted funds	18		(251,699)		49,954
Unrestricted income funds	18		64,294		59,145
TOTAL FUNDS			(187,405)		109,099

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 21 to 46 were approved by the Trustees, and authorised for issue on 3.12.19 and are signed on their behalf, by:

Richard Wallace
Chair of Trustees

The notes on pages 24 to 46 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	20	**25,987**	58,129
CASH FLOWS FROM INVESTING ACTIVITIES	21	**(9,516)**	(9,550)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		**16,471**	48,579
Cash and cash equivalents at the beginning of the year		**130,046**	81,467
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22	**146,517**	130,046

The notes on pages 24 to 46 form part of these financial statements

1. GENERAL INFORMATION

St Mary's Catholic Primary School, Churchdown is a private company limited by guarantee, incorporated in the United Kingdom and registered in England and Wales.

2. ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Mary's Catholic Primary School, Churchdown meets the definition of a public benefit entity under FRS 102.

2.2 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 has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2. ACCOUNTING POLICIES (continued)

2.3 INCOME

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

- **Grants**

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

  General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **Donations**

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

- **Other income**

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

2.4 EXPENDITURE

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2. ACCOUNTING POLICIES (continued)

2.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.6 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 Part 11, chapter 3 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.

2.7 TANGIBLE FIXED ASSETS

ICT items costing £100 or more and other ssets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

On conversion the Academy was granted a 125 year lease from the local authority for land previously occupoed by the local authority school. On conversion this long term leasehold property was recognised as a donation from the local authority and was valued using the depreciated replacement cost method

Buildings occupied under a Church Supplemental Agreement are not recognised as assets in the balance sheet. These land and buildings are occupied free of charge under a rolling two-year licence. Notional rent and a matching donation by the landowner are recognised in the accounts.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Long-term leasehold property	- Straight line over 125 year lease
Furniture and equipment	- Straight line over 5 years
Computer equipment	- Straight line over 3 years

2.8 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.

2. ACCOUNTING POLICIES (continued)

2.9 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.

2.10 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.

2.11 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

2.12 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 bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

2. ACCOUNTING POLICIES (continued)

2.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

2.14 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 funders where the asset acquired or created is held for a specific purpose.

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

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	**Restricted funds 2019 £**	**Total funds 2019 £**	Total funds 2018 £
Donations	2,493	16,625	**19,118**	18,803
Capital Grants	-	16,375	**16,375**	6,430
Notional donation from Diocese for property occupied	-	35,000	**35,000**	35,000
	2,493	68,000	**70,493**	60,233
TOTAL 2018	1,673	58,560	60,233	

5. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	801,337	**801,337**	802,794
Other DfE/EFSA grants	-	94,843	**94,843**	90,755
	-	896,180	**896,180**	893,549
Other government grants				
High Needs	-	24,360	**24,360**	55,208
	-	24,360	**24,360**	55,208
Other funding				
Internal catering income	33,446	-	**33,446**	30,670
Income for hosting trainee teachers	4,605	-	**4,605**	1,535
Sales to students	852	-	**852**	1,600
Trips and other	12,859	-	**12,859**	6,322
	51,762	-	**51,762**	40,127
	51,762	920,540	**972,302**	988,884
TOTAL 2018	40,127	948,757	988,884	

6. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	9,665	**9,665**	6,450
Breakfast club and after school club	32,841	**32,841**	25,488
Insurance claims	-	-	25,267
	42,506	**42,506**	57,205

7. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	94	**94**	80

8. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising activities:					
Direct costs	17,699	-	2,404	**20,103**	19,657
Education:					
Direct costs	671,752	10,488	56,179	**738,419**	770,109
Support costs	208,284	74,414	81,679	**364,377**	356,719
	897,735	84,902	140,262	**1,122,899**	1,146,485
TOTAL 2018	907,714	121,938	116,833	1,146,485	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	738,419	364,377	**1,102,796**	1,126,828
TOTAL 2018	770,109	356,719	1,126,828	

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	**671,752**	692,323
Supply teachers	**-**	1,408
Pension finance costs	**4,000**	4,000
Depreciation	**10,488**	13,628
Educational supplies	**18,335**	14,192
Staff development	**3,442**	3,982
Trips and other costs	**17,126**	21,888
Technology costs	**406**	641
Educational consultancy	**12,870**	18,047
	738,419	770,109

9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	**208,284**	196,721
Pension finance costs	**4,000**	4,000
Depreciation	**3,050**	3,594
Governance	**9,787**	9,120
Recruitment and support	**7,847**	2,336
Maintenance of premises and equipment	**8,161**	11,589
Cleaning	**2,646**	2,355
Rent and rates	**6,232**	7,307
Energy costs	**11,240**	10,476
Insurance	**13,378**	19,515
Security and transport	**233**	361
Catering	**29,066**	28,965
Technology costs	**9,516**	9,999
Office overheads	**9,075**	8,900
Legal and professional	**4,908**	4,975
Bank interest and charges	**1,954**	1,506
Notional rent to Diocese on property	**35,000**	35,000
	364,377	356,719

10. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	**13,196**	17,222
Fees paid to auditors for:		
- audit	**7,500**	6,550
- other services	**2,283**	3,570

11. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	673,251	675,220
Social security costs	47,826	46,747
Pension costs	176,658	184,339
	897,735	906,306
Agency staff costs	-	1,408
	897,735	907,714

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Teahers / Teaching assistants	31	32
Administration and support	17	18
Management	4	4
	52	54

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teahers / Teaching assistants	14	15
Administration and support	6	7
Management	4	4
	24	26

11. STAFF COSTS (CONTINUED)

c. HIGHER PAID STAFF

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

	2019 **No.**	2018 No.
In the band £60,001 - £70,000	**1**	1

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £237,565 (2018: £230,773).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

12. TRUSTEES' REMUNERATION AND EXPENSES

The Head Teacher and staff Trustees only receive remuneration in respect of the services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Acadmy in respect of their role as Trustees. The value of Trustees' remuneration in the year was as follows: Liam Jordan: Remuneration £65,000-£70,000 (2018: £60,000-£65,000), Employer's pension contributions £10,000-£15,000 (2018: £10,000-£15,000); Anne Fullerton: Remuneration £50,000-£55,000 (2018: £50,000-£55,000), Employer's pension contributions £5,000-£10,000 (2018: £5,000-£10,000); Tony Wadley: Remuneration: £15,000-£20,000 (2018: £15,000-£20,000), Employer's pension contributions £0-£5,000 (2018: £0-£5,000).

During the year, no Trustees received any benefits in kind (2018: £Nil).

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
COST OR VALUATION				
At 1 September 2018	320,130	37,411	106,351	463,892
Additions	-	4,590	5,020	9,610
Disposals	-	-	(3,709)	(3,709)
At 31 August 2019	320,130	42,001	107,662	469,793
DEPRECIATION				
At 1 September 2018	17,927	34,055	93,145	145,127
Charge for the year	2,561	2,263	8,543	13,367
On disposals	-	-	(3,538)	(3,538)
At 31 August 2019	20,488	36,318	98,150	154,956
NET BOOK VALUE				
At 31 August 2019	299,642	5,683	9,512	314,837
At 31 August 2018	302,203	3,356	13,206	318,765

15. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	5,499	-
Other debtors	3,151	6,920
Prepayments and accrued income	16,245	17,382
	24,895	24,302

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	**3,681**	-
Other taxation and social security	**11,958**	11,544
Other creditors	**15,692**	15,103
Accruals and deferred income	**46,339**	51,383
	77,670	78,030

17. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	**146,517**	130,046
Financial assets that are debt instruments measured at amortised cost	**9,662**	5,706
	156,179	135,752

	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	**(11,597)**	(7,729)

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and accrued income

Financial liabilities measured at amortised cost comprise trade creditors and accruals

18. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	59,145	96,855	(91,706)	-	-	64,294
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	800,814	(800,814)	-	-	-
Universal Infant Free School Meals (UIFSM)	-	37,801	(37,801)	-	-	-
High Needs Funding	-	24,360	(24,360)	-	-	-
Donations	-	10,410	(7,900)	(2,510)	-	-
Pupil Premium	-	34,228	(34,228)	-	-	-
PE Grant	-	17,860	(17,860)	-	-	-
Devolved Formula Capital	19,189	16,375	-	(4,100)	-	31,464
Other Restricted Funds	-	43,692	(43,692)	-	-	-
Pension reserve	(288,000)	-	(51,000)	-	(259,000)	(598,000)
	(268,811)	985,540	(1,017,655)	(6,610)	(259,000)	(566,536)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	302,203	-	(2,561)	-	-	299,642
Fixed assets purchased from GAG and other restricted funds	16,562	3,000	(10,977)	6,610	-	15,195
	318,765	3,000	(13,538)	6,610	-	314,837
TOTAL RESTRICTED FUNDS	49,954	988,540	(1,031,193)	-	(259,000)	(251,699)
TOTAL FUNDS	109,099	1,085,395	(1,122,899)	-	(259,000)	(187,405)

18. STATEMENT OF FUNDS (CONTINUED)

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

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs. During the year £Nil (2018: £4,919) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

Universal Infant Free School Meals (UIFSM) - Funding received from the ESFA to contribute to the costs of providing free school meals to children in Reception, Year 1 and Year 2.

High Needs - Funding received from the Local Authority to fund further support for students with additional needs.

Donations - Contributions from various sources towards school trips and other educational purposes.

Pupil Premium - This represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

PE Grant - Income received from the ESFA to improve the PE and sport provision, for the benefit of primary aged pupils, so that they develop healthy lifestyles.

Devolved Formula Capital (DFC) - This represents funding transferred on conversion from the Local Authority to cover the maintenance and purchase of the Academy's assets. DFC funding received and used for purchase of fixed assets is recognised as income in the restricted fixed asset fund.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

Fixed assets transferred on conversion – This represents the land and equipment donated to the school from the Local Authority on conversion to an Academy.

Fixed assets purchased from GAG and other funds - This represents assets which have been purchased from GAG income, devolved formula capital income and the Academies Capital Maintenance Fund.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

18. STATEMENT OF FUNDS (CONTINUED)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General Funds	38,599	99,085	(78,539)	-	-	59,145
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	-	805,710	(800,791)	(4,919)	-	-
Universal Infant Free School Meals (UIFSM)	-	37,364	(37,364)	-	-	-
High Needs Funding	-	55,208	(55,208)	-	-	-
Donations	-	45,886	(45,886)	-	-	-
Pupil Premium	-	32,015	(32,015)	-	-	-
PE Grant	-	18,460	(18,460)	-	-	-
Devolved Formula Capital	12,759	6,430	-	-	-	19,189
Pension reserve	(324,000)	-	(61,000)	-	97,000	(288,000)
	(311,241)	1,001,073	(1,050,724)	(4,919)	97,000	(268,811)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	304,764	-	(2,561)	-	-	302,203
Fixed assets purchased from GAG and other restricted funds	20,060	6,244	(14,661)	4,919	-	16,562
	324,824	6,244	(17,222)	4,919	-	318,765
TOTAL RESTRICTED FUNDS	13,583	1,007,317	(1,067,946)	-	97,000	49,954
TOTAL FUNDS	52,182	1,106,402	(1,146,485)	-	97,000	109,099

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	314,837	**314,837**
Current assets	64,294	109,134	-	**173,428**
Creditors due within one year	-	(77,670)	-	**(77,670)**
Provisions for liabilities and charges	-	(598,000)	-	**(598,000)**
TOTAL	64,294	(566,536)	314,837	**(187,405)**

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	318,765	318,765
Current assets	93,521	62,843	-	156,364
Creditors due within one year	(34,376)	(43,654)	-	(78,030)
Provisions for liabilities and charges	-	(288,000)	-	(288,000)
TOTAL	59,145	(268,811)	318,765	109,099

20. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	**(37,504)**	(40,083)
ADJUSTMENTS FOR:		
Depreciation and disposals	**13,367**	15,689
Interest receivable	**(94)**	(80)
Defined benefit pension scheme cost less contributions payable	**41,000**	53,000
Defined benefit pension scheme finance cost	**8,000**	8,000
Decrease in stocks	**-**	27
Decrease in debtors	**1,578**	7,957
(Decrease)/increase in creditors	**(360)**	13,619
NET CASH PROVIDED BY OPERATING ACTIVITIES	**25,987**	58,129

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Dividends, interest and rents from investments	**94**	80
Purchase of tangible fixed assets	**(9,610)**	(9,630)
NET CASH USED IN INVESTING ACTIVITIES	**(9,516)**	(9,550)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	**146,517**	130,046
TOTAL CASH AND CASH EQUIVALENTS	**146,517**	130,046

23. PENSION COMMITMENTS

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

23. PENSION COMMITMENTS (CONTINUED)

Contributions amounting to £15,692 were payable to the schemes at 31 August 2019 (2018 - £15,103) and are included within creditors.

TEACHERS' PENSION SCHEME

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.

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 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 £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the 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 is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £69,214 (2018 - £67,472).

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

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

23. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £79,000 (2018 - £79,000), of which employer's contributions totalled £64,000 (2018 - *£64,000*) and employees' contributions totalled £ 15,000 (2018 - £15,000). The agreed contribution rates for future years are 25.1% per cent for employers and 5.5 - 6.5% per cent 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.

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	**2.6%**	2.7%
Rate of increase for pensions in payment / inflation	**2.3%**	2.4%
Discount rate for scheme liabilities	**1.8%**	2.8%

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

	2019	2018
	Years	Years
Retiring today		
Males	**22.4**	22.4
Females	**24.6**	24.6
Retiring in 20 years		
Males	**24.0**	24.0
Females	**26.4**	26.4

Sensitivity analysis

	2019	2018
	£000	£000
Real discount rate -0.5%	**190**	132
Salary increase rate +0.5%	**20**	7
Pension increase rate +0.5%	**166**	114

23. PENSION COMMITMENTS (CONTINUED)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	**558,350**	508,530
Debt instruments	**214,750**	154,770
Property	**68,720**	58,960
Cash	**17,180**	14,740
Total market value of assets	**859,000**	737,000

The actual return on scheme assets was £55,800 (2018 - £40,500).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	**(105,000)**	(117,000)
Past service cost	**(2,000)**	-
Interest income	**22,000**	17,000
Interest cost	**(30,000)**	(25,000)
Total	**(115,000)**	(125,000)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
Opening defined benefit obligation	**1,025,000**	956,000
Current service cost	**105,000**	117,000
Interest cost	**30,000**	25,000
Employee contributions	**15,000**	15,000
Actuarial losses/(gains)	**286,000**	(77,000)
Benefits paid	**(6,000)**	(11,000)
Past service costs	**2,000**	-
Closing defined benefit obligation	**1,457,000**	1,025,000

23. PENSION COMMITMENTS (CONTINUED)

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2019 £	2018 £
Opening fair value of scheme assets	**737,000**	632,000
Interest income	**22,000**	17,000
Actuarial gains	**27,000**	20,000
Employer contribtuions	**64,000**	64,000
Employee contributions	**15,000**	15,000
Benefits paid	**(6,000)**	(11,000)
Closing fair value of scheme assets	**859,000**	737,000

24. 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.

25. RELATED PARTY TRANSACTIONS

Certain trustees' remuneration and expenses are already disclosed in note 12.

St Dominic's Catholic Primary School is considered a related party as Mr Kehoe was a trustee of both schools, and the Head Teacher, Mr Jordan, was also interim Executive Head Teacher at St Dominic's for part of the year. During the year St Mary's provided staff and support to St Dominic's and charged £2,121 to reimburse St Mary's for the cost. At the year end St Dominic's owed the Academy £1,799.

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

26. CONTROLLING PARTY

The Academy is under the control of the Bishop of Clifton by virtue of his ability to appoint the majority of the board of trustees.