Registered number: 07696498

ST MARY'S CATHOLIC PRIMARY SCHOOL, CHURCHDOWN

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

Bishop Fleming

Chartered Accountants

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

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Trustees	Jonathan Allen (appointed 26 April 2016) Keiran Byrne Margaret Collins, Chair Anne Fullerton Father Kevin Hennessey Maeve Kelly Emma King Janelle Reyes-Goddard Anthony Wadley Frances Walker Richard Wallace Stephen Nash (resigned 28 January 2016) Liam Jordan
Company registered number	07696498
Company name	St Mary's Catholic Primary School, Churchdown
Principal and registered office	Cheltenham Road East Churchdown Gloucester Gloucestershire GL3 1HU
Company secretary	Yasaman Kharazian
Accounting Officer	Liam Jordan
Senior Leadership Team	Liam Jordan, Headteacher Anne Fullerton, Deputy Headteacher Claire O'Loughlin, Head Key Stage 1 Carolyn Coughlan, School Business Manager
Independent auditors	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
Solicitors	Harrison Clark Rickerbys Ellenborough House Wellington Street Cheltenham Gloucestershire GL50 1YD

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. 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 216 in the school census on 21 January 2016.

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. The charitable company is known as St Mary's Catholic Primary School, Churchdown.

Details of the Trustees 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 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, Personnel, Curriculum and Premises) 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.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team of the Academy comprises the Head Teacher, Deputy Head, Senior Teacher and the School Business Manager. This team controls the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. 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.

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.

The Academy has a leadership structure which consists of the Trustees and the Senior Leadership Team. 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 there is a rental agreement between the Playgroup and the Academy. The Dance Dance Dance Group uses the school hall and there is a hire agreement.

St Peter's Catholic High School & Sixth Form Centre is a related party as Mrs Collins and Father Hennessey are Trustees of both St Mary's and St Peter's. There were no transactions with St Peters this financial year although St Peter's finances a 30 minute telephone legal service provided by Harrison Clark Rickerbys.

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 2016 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 schools 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 pupils achieving the expected standard of attainment in reading at the end of KS2.
- To increase the proportion of identified higher ability writers who achieve the higher standard ('working at greater depth within the expected standard') in writing at the end of KS2.
- To increase the proportion of pupils who achieve a higher standard in each of reading, writing and maths at the end of KS1.
- To continue to close attainment gaps for vulnerable pupil groups (particularly EAL, SEND & those in receipt of Pupil Premium) through the provision of highly effective academic and pastoral support programmes.
- To improve pupil and teacher access to IT resources and integrate the use of technology 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 2016 was 217. There is a waiting list for places.

Pupil Achievement: Formal outcomes 2016

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'.

77% of pupils (23 of 30) achieved the 'Good Level of Development' measure. The National Average figure for 2015 was 66%.

The average pupil score, across the 17 ELGs was 37.4. The National Average figure for 2015 was 34.3.

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 2016 was 81%). Those pupils who did not achieve the standard will receive targeted support and resit the check next year.

Three Year 2 pupils resat the phonics check. 100% of pupils achieved the required standard (3 of 3).

End of Key Stage 1 (Year 2)

2016 is the first time that Year 2 pupils were tested /assessed against the assessment criteria for the 2014 National Curriculum. Pupil attainment is recorded in relation to the new 'expected standard' for the end of Key Stage 1. Pupils sit tests in reading, GPS (Grammar, Punctuation & Spelling) and maths; these tests produce a 'scaled score' (with 100 representing the 'expected standard').

The outcomes of the test are not reported to the DFE this year but are used to inform the Teacher Assessment judgment made for each pupil.

	Reading	**Writing**	**Mathematics**
% of pupils at or above EXS	84%	77%	84%
National average	73%	61%	69%
Average scaled score	107.2	n/a	105.9

End of Key Stage 2 (Year 6)

2016 is the first time that Year 6 pupils were tested/ assessed against the assessment criteria for the 2014 National Curriculum. 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 judgment 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.

	Measure for the school	**National Average**	**Margin above National Average**
Reading:			
% of pupils at or above EXS	66%	66%	0%
% 'Higher Attaining'	28%	19%	+9%
Average scaled score	105.0	103.0	+2.0
Progress	0.4	0.0	+0.4
Writing:			
% of pupils at or above EXS	81.4%	74%	+7.4%
% 'Higher Attaining'	16%	15%	+1%
Progress	-1.1	0.0	-1.1

GPS:			
% of pupils at or above EXS	94%	72%	+22%
% 'Higher Attaining'	38%	23%	+15%
Average scaled score	108.5	104.0	+4.5
Mathematics:			
% of pupils at or above EXS	100%	70%	+30%
% 'Higher Attaining'	22%	17%	+5%
Average scaled score	106.6	103.0	+3.6
Progress	1.7	0.0	+1.7

Average scaled score (RE/MA) 105.8 (National average 102.7). Difference from National: Sig+ (15th percentile).

KS2 progress based on Average scaled score (RE/MA) +1.2 (NA 0.0). Difference from National: In-line (31st percentile).

% Expected Standard (RE/MA) 59% (National average 53%). Difference from National: In-line (18th percentile).

KS2 progress based on % Expected Standard (RE/MA) -3% (NA 0.0). Difference from National: In-line (60th percentile).

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.

Assessment	**Inspection Grade**
Overall effectiveness of the school	1
Achievement and Standards	1
Personal development and well-being	1
The quality of teaching	1
The effectiveness of leadership and management	1

Note: Grade 1 is 'Outstanding'

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

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 EFA 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 2016 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 2016, the Academy received total income of £1,001,346 and incurred total expenditure of £1,126,907. The excess of income over expenditure (excluding restricted fixed asset fund) for the year was £4,201.

At 31 August 2016 the net book value of fixed assets was £2,224,365 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 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 EFA. In the period under review, 92.7% 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
- 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 excellent 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 is currently only 1 class 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.

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.

AUDITORS
In so far as the Trustees are aware:

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

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 company directors, on .... and signed on the board's behalf by:

MCollins

Margaret Collins
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 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
Jonathan Allen	1	1
Keiran Byrne	4	4
Margaret Collins, Chair	4	4
Anne Fullerton	4	4
Father Kevin Hennessey	3	4
Maeve Kelly	2	4
Emma King	3	4
Janelle Reyes-Goddard	4	4
Anthony Wadley	3	4
Frances Walker	4	4
Richard Wallace	4	4
Stephen Nash	1	2
Liam Jordan	4	4

The Finance Committee is a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Richard Wallace	5	5
Liam Jordan	5	5
Frances Walker	5	5
Anthony Wadley	1	5
Keiran Byrne	5	5
Anne Fullerton	4	5

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:

1. Raising student attainment and improving progress.

The school strives for the highest possible academic standards. At the end of the 2015/16 academic year in relation to the majority of key indicators outcomes pf pupils were above/well above national values. There are currently 21 pupils on the pupil premium register. The progress of these pupils is closely tracked and monitored across the academic year. Support varies from individual work programmes and individual tuition, to assistance with funding after-school activities.
We constantly review the quality of teaching and curriculum provision to ensure that teaching and learning is based around the needs of the school community and builds on previous learning.

2. Financial Performance

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. When approving the budget each year Governors understand the need to balance expenditure against income to ensure that the Academy remains a 'going concern'. The Governors' Report and Financial Statements for the year ended 31st August 2016 will be approved by Governors on 14th November 2016.

The Senior Leadership Team of the Academy comprises the Head Teacher, Deputy Head, Head Key Stage 1 and the School Business Manager. This team controls the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. 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 Head Teacher.

The system of financial control is based on a framework of structured accounting processes and regular management information. Regular reports showing financial performance against the budget are reviewed by the Finance Committee and Full Governing Body. The "Financial Policy and Regulations" detail procedures relating to financial controls, payroll administration, purchasing, income, cash management, delegation of authority and segregation of duties.

The school has links with other primary academies in Gloucestershire and has a reciprocal arrangement with 2 other schools to provide the role of Responsible Officer/Peer Review. This fulfils the internal audit function, whilst sharing best practice with regard to financial management processes

During 2015/16 the school used capital monies to purchase Chromebooks to be used in the classroom. The school recognises its responsibility to obtain value for money. All suppliers compete on grounds of cost and quality of products. The Academy actively seeks out the best products at the best prices. For all orders of £1000 three quotes are obtained. Successful companies will be chosen on grounds of price, quality and previous record.

When appropriate the Academy works with other schools collaboratively to ensure that procurement costs are kept to a minimum. The school also shares good practice with a number of local schools to increase standards for the least cost. Financial performance is benchmarked against other Academies to demonstrate that the Academy provides good value for money.

On conversion to Academy status, the school continued to buy back a number of support services from Gloucestershire County Council. These are assessed annually on the basis of cost and the level of service provided in the previous year and compared to alternative providers.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mary's Catholic Primary School, Churchdown for the year 1 September 2015 to 31 August 2016 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors 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.

The appointee's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the appointee reports to the board of trustees 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 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 and signed on their behalf, by:

Margaret Collins **Chair of Trustees**	**Liam Jordan** **Accounting Officer**

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 Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, 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.

I confirm that I and the Academy board of trustees are able to identify any material irregular or improper use of 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.

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 EFA.

Liam Jordan
Accounting Officer

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees (who act as governors of St Mary's Catholic Primary School, Churchdown and are also the directors of the charitable company for the purposes of company law) 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 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 2015 to 2016;
- 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 the EFA/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:

Margaret Collins
Chair of Trustees

Date: 17/11/16

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

We have audited the financial statements of St Mary's Catholic Primary School, Churchdown for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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.

Bishop Fleming Bath LLP

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: 5 December 2016

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

In accordance with the terms of our engagement letter dated 19 April 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 EFA 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 EFA 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 EFA, 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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. 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 noncompliance. 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 ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST MARY'S CATHOLIC PRIMARY SCHOOL, CHURCHDOWN AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming Bath Ltd

Simon Morrison FCA (Reporting Accountant)

Bishop Fleming Bath Limited
Chartered Accountants
Statutory Auditors
Minerva House
Lower Bristol Road
Bath
BA2 9ER

Date: 5 December 2016

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

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	1,091	20,710	-	21,801	29,611
Charitable activities	3	34,322	922,199	-	956,521	897,861
Other trading activities	4	22,837	-	-	22,837	26,926
Investments	5	187	-	-	187	241
TOTAL INCOME		58,437	942,909	-	1,001,346	954,639
EXPENDITURE ON:						
Raising funds		19,693	-	-	19,693	14,326
Charitable activities		32,123	953,731	121,360	1,107,214	1,055,327
TOTAL EXPENDITURE	6	51,816	953,731	121,360	1,126,907	1,069,653
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		6,621	(10,822)	(121,360)	(125,561)	(115,014)
Transfers between Funds	17	-	(34,315)	34,315	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES		6,621	(45,137)	(87,045)	(125,561)	(115,014)
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(90,000)	-	(90,000)	11,000
NET MOVEMENT IN FUNDS		6,621	(135,137)	(87,045)	(215,561)	(104,014)
RECONCILIATION OF FUNDS:						
Total funds brought forward		40,963	(203,265)	2,311,410	2,149,108	2,253,122
TOTAL FUNDS CARRIED FORWARD		47,584	(338,402)	2,224,365	1,933,547	2,149,108

The notes on pages 21 to 39 form part of these financial statements.

ST MARY'S CATHOLIC PRIMARY SCHOOL, CHURCHDOWN
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07696498

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		2,224,365		2,320,258
CURRENT ASSETS					
Stocks		1,480		718	
Debtors	14	29,167		20,896	
Cash at bank and in hand		123,335		105,831	
		153,982		127,445	
CREDITORS: amounts falling due within one year	15	(60,800)		(29,595)	
NET CURRENT ASSETS			93,182		97,850
TOTAL ASSETS LESS CURRENT LIABILITIES			2,317,547		2,418,108
Defined benefit pension scheme liability	21		(384,000)		(269,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			1,933,547		2,149,108
FUNDS OF THE ACADEMY					
Restricted funds:					
General funds	17	45,598		65,735	
Fixed asset funds	17	2,224,365		2,311,410	
Restricted funds excluding pension liability		2,269,963		2,377,145	
Pension reserve		(384,000)		(269,000)	
Total restricted funds			1,885,963		2,108,145
Unrestricted funds	17		47,584		40,963
TOTAL FUNDS			1,933,547		2,149,108

The financial statements were approved by the Trustees, and authorised for issue, on
and are signed on their behalf, by:

Margaret Collins
Chair of Trustees

Liam Jordan
Headteacher

The notes on pages 21 to 39 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	**42,784**	(70,603)
Cash flows from investing activities:			
Interest received		**187**	241
Purchase of tangible fixed assets		**(25,467)**	(30,407)
Capital grants from DfE/EFA		**-**	10,143
Net cash used in investing activities		**(25,280)**	(20,023)
Change in cash and cash equivalents in the year		**17,504**	(90,626)
Cash and cash equivalents brought forward		**105,831**	196,457
Cash and cash equivalents carried forward	20	**123,335**	105,831

1. ACCOUNTING POLICIES

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

1.1 GENERAL INFORMATION

St Mary's Catholic Primary School, Churchdown is a company limited by guarantee, incorporated in England and Wales. The registered office is Cheltenham Road East, Churchdown, Gloucester, Gloucestershire, GL3 1HU.

1.2 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 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St Mary's Catholic Primary School, Churchdown constitutes a public benefit entity as defined by FRS 102.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

First time adoption of FRS 102

These financial statements are the first financial statements of St Mary's Catholic Primary School, Churchdown prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of St Mary's Catholic Primary School, Churchdown for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. This has resulted in some comparative figures being recategorised in order to remain comparable. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures of total funds and. income/expenditure are included in note 25.

1.3 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..

1. ACCOUNTING POLICIES (continued)

1.4 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 and include grants from the Department for Education.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.5 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 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 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.

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

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

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

Charitable Activities 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.

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

ICT items costing £100 or more, and other assets costing £500 or more are capitalised.

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.
Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	Straight line over 50 years
Plant and machinery	-	Staight line over 5 years
Fixtures and fittings	-	Straight line over 5 years
Computer equipment	-	Straight line over 3 years
Long term leasehold land	-	Straight line over 125 year lease
Building Improvements	-	Straight line over 6.6 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.

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1.9 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.10 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 and cash on deposit that has a notice period of less than 30 days.

1.11 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.

1. ACCOUNTING POLICIES (continued)

1.12 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.

1.13 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

1.14 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 and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1. ACCOUNTING POLICIES (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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 operatign or finance lease 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 reqards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	1,091	14,381	-	15,472	19,468
Capital Grants	-	6,329	-	6,329	10,143
	1,091	20,710	-	21,801	29,611

In 2015, of the total income from donations and capital grants, £1,140 was to unrestricted funds and £28,471 was to restricted funds

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	781,300	781,300	762,632
Other DfE/EFA grants	-	86,368	86,368	71,637
	-	867,668	867,668	834,269
Other Government grants				
High Needs	-	54,531	54,531	26,759
Other Government grants non capital	-	-	-	4,296
	-	54,531	54,531	31,055
Other funding				
Internal catering income	24,081	-	24,081	24,609
Income for hosting trainee teachers	2,250	-	2,250	705
Sales to students	996	-	996	900
Trips income	6,995	-	6,995	6,323
	34,322	-	34,322	32,537
	34,322	922,199	956,521	897,861

In 2015, of the total income from charitable activities, £32,537 was to unrestricted funds and £865,324 was to restricted funds.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	2,320	-	2,320	2,200
Breakfast club and after school club	20,517	-	20,517	24,726
	22,837	-	22,837	26,926

In 2015, of the total income from other trading activities, £26,926 was to unrestricted funds and £ NIL was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	187	-	187	241

In 2015 the total investment income of £241 was unrestricted.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on fundraising trading	16,112	-	3,581	19,693	14,326
Education:					
Direct costs	623,591	96,833	65,162	785,586	736,151
Support costs	164,429	61,053	96,146	321,628	319,176
	804,132	157,886	164,889	1,126,907	1,069,653

In 2016, of the total expenditure, £51,816 (2015: £31608) was to unrestricted funds and £1,075,091 (2015: £1,038,045) was was to restricted funds.

7. DIRECT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	5,000	10,000
Educational supplies	23,682	14,512
Staff development	2,512	4,816
Trips and other costs	17,517	18,546
Supply teachers	-	757
Technology costs	276	199
Educational Consultancy	16,175	8,243
Wages and salaries	501,093	513,793
National insurance	27,965	31,370
Pension cost	94,533	80,165
Depreciation	96,833	58,750
	785,586	741,151

8. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	**6,000**	-
Recruitment and support	**3,939**	2,552
Maintenance of premises and equipment	**11,758**	13,820
Cleaning	**1,966**	4,504
Rent and rates	**7,037**	7,036
Energy costs	**15,342**	8,903
Insurance	**25,080**	16,308
Security and transport	**423**	296
Catering	**26,573**	28,108
Technology costs	**7,922**	9,207
Office overheads	**7,610**	9,751
Legal and professional	**4,898**	6,433
Bank interest and charges	**739**	59
Governance	**13,385**	6,530
Wages and salaries	**126,664**	125,326
National insurance	**3,312**	2,582
Pension cost	**34,453**	42,199
Depreciation	**24,527**	30,562
	321,628	314,176

9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	**121,360**	89,312
Auditors' remuneration - audit	**6,300**	4,750
Auditors' remuneration - other services	**860**	1,780

10. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	**641,782**	651,343
Social security costs	**31,273**	34,034
Operating costs of defined benefit pension schemes	**131,077**	124,384
	804,132	809,761
Agency supply costs	**-**	757
	804,132	810,518

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

	2016	2015
	No.	No.
Teachers	**28**	26
Administration and support	**20**	20
Management	**4**	4
	52	50

Average headcount expressed as a full time equivalent:

	2016	2015
	No.	No.
Teachers	**15**	15
Administration and support	**8**	8
Management	**4**	4
	27	27

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	**1**	1

The key management personnel of the Academy comprise Trustees (who do not received 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) received by key management personnel for their services to the Academy was £166,870 (2015: £192,280).

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 11 has not been included in the total benefits received by key management personnel above.

11. TRUSTEES' REMUNERATION AND EXPENSES

The Head Teacher and staff Trustees only receive remuneration in respect of 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 Academy in respect of their role as Trustees. The value of Trustees' remuneration in the year was as follows: Liam Jordan: Remuneration £60,000 - £65,000 (2015: £55,000 - £60,000), Employer's pension contributions £10,000 - £15,000 (2015: £5,000 - £10,000); Anne Fullerton: Remuneration £45,000 - £50,000 (2015: £45,000 - £50,000), Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000); Kharazian Yasaman: Remuneration £0 - £5,000 (2015: £NIL), Employer's pension contributions £0 - £5,000 (2015: £NIL); and Tony Wadley: Remuneration: £15,000 - £20,000 (2015: £15,000 - £20,000), Employer's pension contributions £0 - £5,000 (2015: £0 - £5,000).

During the year retirement benefits were accruing to 4 Trustees (2015: 3) in respect of defined benefit pension schemes.

During the year, no Trustees received any benefits in kind (2015: £NIL).

During the year ended 31 August 2016, expenses totalling £31 (2015: £NIL) were reimbursed to 1 Trustee (2015: NIL).

12. 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 £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £409 (2015: £125).

13. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
COST					
At 1 September 2015	2,463,358	25,635	9,679	69,930	2,568,602
Additions	12,166	-	-	13,301	25,467
At 31 August 2016	2,475,524	25,635	9,679	83,231	2,594,069
DEPRECIATION					
At 1 September 2015	166,038	13,575	8,422	60,309	248,344
Charge for the year	102,250	4,973	538	13,599	121,360
At 31 August 2016	268,288	18,548	8,960	73,908	369,704
NET BOOK VALUE					
At 31 August 2016	2,207,236	7,087	719	9,323	2,224,365
At 31 August 2015	2,297,320	12,060	1,257	9,621	2,320,258

The Clifton Diocese owns the freehold of the school buildings and Gloucestershire County Council owns the freehold of the land. The Academy occupies the buildlings under a licence and holds a 125 year lease over the land. The school buildings are occupied, improved, extended and repaired by the Academy Trustees and the Diocesan Trustees do not have control over the buildings until the Academy ceases its occupation. Therefore the property meets the definition of an asset under the FRS 102 'substance over form' concept and the land and buildings are included on the balance sheet of the Academy Trust on this basis. The legal ownership of the asset remains with the Diocese and County Council respectively.

The Supplemental Agreement includes the right for the Clifton Catholic Diocesan Trustees to give not less than 2 years written notice to the Academy and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

14. DEBTORS

	2016 £	2015 £
VAT recoverable	8,947	2,969
Other debtors	14,730	17,927
Prepayments and accrued income	5,490	-
	29,167	20,896

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	38	(25)
Other taxation and social security	6,227	7,347
Other creditors	14,195	-
Accruals and deferred income	40,340	22,273
	60,800	29,595

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September	21,413	24,826
Resources deferred during the year	32,815	21,413
Amounts released from previous years	(21,413)	(24,826)
Deferred income at 31 August	32,815	21,413

At the balance sheet date the Academy was holding funds for Universal Infant Free School Meals, breakfast and after school clubs income and money received for Autumn term 2016 school meals.

16. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets that are debt instruments measured at amortised cost		
Accrued income	5,490	-
Cash at bank and in hand	123,335	105,831
	128,825	105,831

	2016 £	2015 £
Financial liabilities measured at amortised cost		
Trade creditors	(38)	25
Accruals	(7,525)	(860)
	(7,563)	(835)

17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	40,963	58,437	(51,816)	-	-	47,584
RESTRICTED FUNDS						
General Annual Grant (GAG)	43,971	783,992	(754,379)	(34,315)	-	39,269
Universal Infant Free School Meals (UIFSM)	-	37,801	(37,801)	-	-	-
Hign needs funding	-	54,531	(54,531)	-	-	-
Donations	21,764	14,381	(36,145)	-	-	-
Pupil premium	-	36,990	(36,990)	-	-	-
PE grant	-	8,885	(8,885)	-	-	-
Devolved formula capital	-	6,329	-	-	-	6,329
Pension reserve	(269,000)	-	(25,000)	-	(90,000)	(384,000)
	(203,265)	942,909	(953,731)	(34,315)	(90,000)	(338,402)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	2,076,155	-	(56,172)	-	-	2,019,983
Fixed assets purchased from GAG and other restricted funds	235,255	-	(65,188)	34,315	-	204,382
	2,311,410	-	(121,360)	34,315	-	2,224,365
Total restricted funds	2,108,145	942,909	(1,075,091)	-	(90,000)	1,885,963
Total of funds	2,149,108	1,001,346	(1,126,907)	-	(90,000)	1,933,547

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

General Annual Grant (GAG) - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs. During the year £34,315 (2015: £NIL) 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 EFA to contribute to the costs of providing free school meals to children in Reception, Year 1 and Year 2.

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

17. STATEMENT OF FUNDS (continued)

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

Pupil Premium - This represents funding received from the EFA 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 EFA 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 pension obligation in respect of the LGPS.

Fixed assets transferred on conversion – This represents the buildings 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.

OTHER INFORMATION

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 2016.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	2,224,365	2,224,365	2,320,258
Current assets	70,087	83,895	-	153,982	127,445
Creditors due within one year	(22,503)	(38,297)	-	(60,800)	(29,595)
Provisions for liabilities and charges	-	(384,000)	-	(384,000)	(269,000)
	47,584	(338,402)	2,224,365	1,933,547	2,149,108

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	**(125,561)**	(115,014)
Adjustment for:		
Depreciation charges	**121,360**	89,312
Interest received	**(187)**	(241)
(Increase)/decrease in stocks	**(762)**	466
(Increase)/decrease in debtors	**(8,271)**	91,001
Increase/(decrease) in creditors	**31,205**	(153,984)
Capital grants from DfE and other capital income	**-**	(10,143)
Defined benefit pension scheme cost less contributions payable	**14,000**	18,000
Defined benefit pension scheme finance cost	**11,000**	10,000
Net cash provided by/(used in) operating activities	**42,784**	(70,603)

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	**123,335**	105,831
Total	**123,335**	105,831

21. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson LLP. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £14,195 were payable to the schemes at 31 August 2016 (2015: nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

21. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £65,138 (2015: £57,648).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £66,000 (2015: £62,000), of which employer's contributions totalled £52,000 (2015: £49,000) and employees' contributions totalled £14,000 (2015: £13,000). The agreed contribution rate for employers in 2016/17 is 23.6% with annual incremental increases to 25.8% by 2019/20, and 5.5 - 6.5% 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.
Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	**2.10 %**	3.80 %
Rate of increase in salaries	**2.40 %**	4.10 %
Rate of increase for pensions in payment / inflation	**2.10 %**	2.70 %

21. PENSION COMMITMENTS (continued)

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

	2016	2015
Retiring today		
Males	**22.5**	22.5
Females	**24.6**	24.6
Retiring in 20 years		
Males	**24.4**	24.4
Females	**27.0**	27.0

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	**301,240**	218,000
Debt instruments	**93,030**	70,000
Property	**31,010**	25,000
Cash	**17,720**	3,000
Total market value of assets	**443,000**	316,000

The actual return on scheme assets was £81,000 (2015: £12,000).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	**(66,000)**	(67,000)
Net interest cost	**(11,000)**	(10,000)
Total	**(77,000)**	(77,000)

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

	2016 £	2015 £
Opening defined benefit obligation	**585,000**	496,000
Current service cost	**66,000**	67,000
Interest cost	**24,000**	20,000
Contributions by employees	**14,000**	13,000
Actuarial losses/(gains)	**141,000**	(11,000)
Benefits paid	**(3,000)**	-
Closing defined benefit obligation	**827,000**	585,000

21. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	316,000	244,000
Interest income	13,000	10,000
Actuarial gains and (losses)	51,000	-
Contributions by employer	52,000	49,000
Contributions by employees	14,000	13,000
Benefits paid	(3,000)	-
Closing fair value of scheme assets	443,000	316,000

22. RELATED PARTY TRANSACTIONS

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 Trustee 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.

No related party transactions took place in the period of account.

23. 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.

24. 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.

25. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	**Notes**	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		2,253,122	2,149,108
Total funds reported under FRS 102		2,253,122	2,149,108

Reconciliation of net income/ (expenditure)	**Notes**	31 August 2015 £
Net income previously reported under UK GAAP		110,014
Pension interest cost		5,000
Net movement in funds reported under FRS 102		115,014

Explanation of changes to previously reported funds and net income/expenditure:

Under previous UK GAAP the Academy recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 net interest, based on the net defined benefit liability, is recognised in expenditure. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the expenditure by £5,000 and decrease the other recognised gains and losses in the Statement of Financial Activities by an equivalent amount.