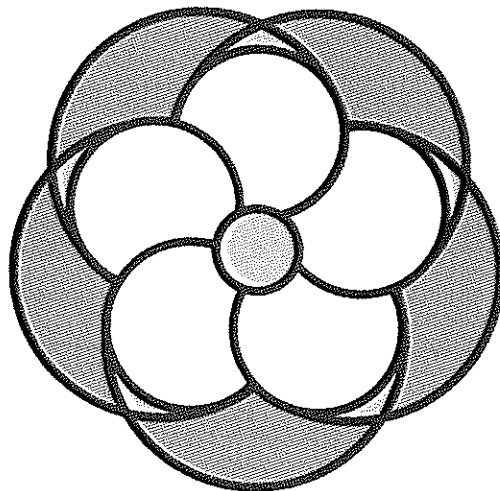


ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019



***Company registration number:
07716911 (England and Wales)***

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

CONTENTS

	Page
Reference and Administrative Details	1
Report of the Governors (including Strategic Report)	2 – 8
Governance Statement	9 – 12
Statement on Regularity, Propriety and Compliance	13
Statement of Governors' Responsibilities	14
Independent Auditor's Report on the Financial Statements	15 – 17
Independent Reporting Accountant's Report on Regularity	18 – 19
Statement of Financial Activities incorporating Income and Expenditure Account	20
Balance Sheet	21
Statement of Cash Flows	22
Notes to the Financial Statements	23 – 39

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

Reference and Administrative Details

Members:	Norwich Diocesan Board of Finance Limited Mr Richard Cranmer Mrs Diane Perry-Yates (resigned 4 November 2019) Rev Heather Wilcox (appointed 18 November 2019)
Governors (Trustees):	Rev Heather Wilcox (Chair from 18 November 2019) Mrs Diane Perry-Yates (Chair) (resigned 4 November 2019) Ms Jenny Melling (Vice Chair) Ms Aziza Cranmer (Accounting Officer) Mrs Julie Adams Mrs Maria Adcock Ms Ewa Parker (appointed February 2019) Dr Paul Adams (appointed 4 November 2019) Michelle Horne (appointed 4 November 2019) Natalie Butler (appointed 4 November 2019)
Senior Leadership Team:	Ms Aziza Cranmer (Principal) Mrs Ewa Parker (Deputy Principal)
Company Secretary:	Mrs Christine Locke (resigned 4 July 2019)
Principal and Registered office:	St Mary's Church of England Junior School Swan Lane Long Stratton Norwich Norfolk NR15 2UY
Company registration number:	07716911 (England and Wales)
Independent Auditor:	Lovewell Blake LLP Chartered Accountants and Statutory Auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
Bankers:	Barclays Market Place Town Centre Leicester Leicestershire LE87 2BB
Solicitors:	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2019

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

The Academy Trust operates an academy for pupils aged 7 to 11 serving a catchment area in Long Stratton. It has a pupil capacity of 240 and had a roll of 214 in the October 2019 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust 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 trust. The Governors of St Mary's Church of England Junior School are also the directors of the charitable company for the purposes of company law. The charitable company operates as St Mary's Junior School.

Details of the Governors who served throughout the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' Indemnities

Subject to the provisions of the Companies Act, every Governor or other officer or auditor of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default breach of duty or breach of trust in relation to affairs of the academy trust.

Governor Recruitment, Induction and Training Procedures

The academy trust is governed by its Governing Board. Governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the academy trust. The Governing Board was initially appointed as described in the memorandum and articles of association, and may appoint Governors as permitted within this document. No Governors were co-opted nor were appointments made by the Secretary of State in 2018/2019. Governors may be removed by the person or persons who appointed them.

The Articles of Association require the members of the charitable company to appoint at least two Governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy trust.

The training and induction provided for new Governors includes a tour of the academy and a chance to meet staff and pupils. Norfolk Governor Services provides external training including financial matters. They provide regular updates on practice, legislation and guidance.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Governor Recruitment, Induction and Training Procedures (continued)

All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

The organisational structure of the academy trust consists of two levels: The Governors and the Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governing Board are responsible for: setting the strategic direction of the school; adopting an annual School Development plan and financial budget; and monitoring the academy trust through financial scrutiny. The Governors are responsible for monitoring the performance of the Principal on a regular basis.

The Senior Leadership Team members for the academy trust are the Principal and Deputy Principal. These control the academy at an executive level realising the vision for the academy trust, ensuring the academy trust runs smoothly and help children make creative and academic progress, implementing the policies laid down by the Governors and reporting back to them.

Arrangements for setting pay and remuneration of key management personnel

The academy trust chooses to mirror national pay and conditions agreements for its teaching staff and mirrors local government pay and conditions for its support staff. In exceptional cases the academy trust chooses to apply individual terms and conditions where there is an overriding benefit for the academy trust in so doing.

Teaching and support staff within the academy trust are subject to an annual performance process which determines recommendations on pay progressions. Where staff are eligible for pay progression, the decision is made by the Governors.

Related Parties and Other Connected Charities and Organisations

There are no related parties which either control or significantly influence the decisions and operations of St Mary's Church of England School Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the academy trust.

OBJECTIVES AND ACTIVITIES

Objects and aims

The Object of the academy trust is as follows:

The academy trust's object ("the Object") is specifically restricted to the following:

- *To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school with a designated Church of England religious character, offering a broad and balanced curriculum ("the academy trust") conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement) and in having regard to the advice of the Diocesan Board of Education, and*

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2019

OBJECTIVES AND ACTIVITIES (continued)

- *To promote for the benefit of individuals living in Long Stratton and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals, for so long as the Academy continues to function as an educational institution.'*

Objectives, strategies and activities

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

All that we do as an Academy is held together under our Mission Statement

'Raising aspirations and a love of learning through courage, resilience, positive relationships and God's love.

All pupils and where relevant stakeholders should:

- feel safe and valued as part of a caring community that celebrates success;
- experience and actively participate in a relevant, enjoyable curriculum that evolves to meet the needs of all;
- inspire an 'enquiring' mind and ask questions;
- be independent thinkers / learners who are able to seek solutions creatively and co-operatively;
- be able to listen and articulate responses showing consideration to others;
- be polite and courteous;
- be proactive in our responsibilities towards the community, society, the environment and economy, linking 'real life' with our learning;
- understand and respect diversity;
- develop a sense of self-esteem; and
- be well balanced and healthy individuals.

Key priorities for the year are contained in our Strategic Development Plan and are as follows:

- Improve progress and attainment in maths
- Improve improvement and progress of vulnerable pupils
- Raise the profile of Christian distinctiveness within the school
- Develop expertise, strengthen and improve the impact of middle leaders on teaching, learning and outcomes.

Improvement Focuses identified for this year include:

- Standards in English continue to improve;
- Continue to improve 2 levels progress in Writing at the end of KS2;
- The progress in Maths is maintained through recommended teaching methods;
- FSM/SEN/Summer born gap narrows throughout the academy trust;
- All children experience a wider, practical integrated curriculum;
- Financial management continues to be of the highest standards and give value for money;
- External / internal resources enable a safe, healthy and stimulating environment;
- Parents feel confident in the academy trust and it is valued by the community;
- Links with the church continue to build and strengthen; and
- Christian values are clearly embedded throughout the school community.

Public Benefit

In setting our objectives and planning our activities the Governors and Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. Pupils are admitted in accordance with the admissions policy agreed with the Department for Education (DfE). Children are admitted from a wide range of backgrounds, from social housing in Long Stratton, to those from higher income households outside of our catchment area. The academy trust has a rich curriculum which aims to deliver good academic progress with a range of activities and experiences, offering pupils a chance to demonstrate their abilities and potential.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2019

STRATEGIC REPORT

Achievements and performance

Total pupils in the year ended 31 August 2019 numbered 219.

The school curriculum has been reviewed and has been updated and revised in the summer term for full implementation in the 2019-20 academic year, to ensure breadth and depth of coverage, improving both knowledge and skills of children and encouraging enquiry and active learning. This curriculum is being built alongside subject leaders, ensuring that progression is clear across the school.

In the 2018-19 academic year, Year 3 attended the Time and Tide Museum to learn about WW2 as well as a one night residential to Eaton Vale. Year 4 attended Kingswood, Year 5 Horstead and Year 6 Bawdsey Manor. Visits also took place to the Royal Norfolk Show, Norwich Castle and Norwich Cathedral. Pupils have attended several Reading and Book Festivals as well as a book author visiting the school. To enhance learning, further visitors to school included Dr Dee Enay (Mad Science), a Hula Hoop Event day, Geologist, music group, Safeguarding and Keeping Yourself Safe (NCC).

The school continues to offer a wide and diverse range of other activities and experiences for its pupils, including Prayer Spaces, Pastoral Support and whole school performances and it is growing closer links with the local community. The school participates in numerous sporting events across the county including, cross country, football, cricket, athletic and dance events. Pupil Premium funding gives access to these children for a range of activities including residential, day trips, theatre visits, clubs, after school provision, etc.

St Mary's continues to work closely with other schools within the cluster and beyond, as well as with other Diocesan schools, in order to exchange good practice and seek professional support and development from others.

Academic achievements

The average scaled score for Reading,
102 up from 101 (2018), 104 in 2017

The average scaled score for Maths
104 up from 101 (2018) 102 (2017)

The average scaled score for GPS
102 equivalent to 102(2018) 106 (2017)

The % reaching the expected standard in Reading, Writing and Maths combined was 61% which was an increase from the previous year of 50%. The % of pupils at greater depth in Reading, Writing and Maths combined has shown a downward trend from 8% in 2018 to 4% in 2019.

The % of those reaching greater depth in Reading decreased to 18% from 20% (2018), 28% (2017)

The % reaching expected standard in Maths rose from 62% in 2018 to 78%. The % reaching a higher standard in Maths was higher with 31% in 2019, compared to 16% in 2018 and 23% in 2017.

The % reaching the expected standard in GPS dropped slightly from 66% in 2018 to 63% in 2019. The % of those achieving a higher standard in GPS raised slightly from 14% in 2018 to 16% in 2019.

88% of pupils reached the expected standard in science up on 2018 which was 82%

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2019

Achievements and performance (continued)

An Ofsted inspection October 2016 rated the school as 'Good' in all areas.

Going Concern

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

Financial Review

Most of the academy trust's income is obtained from the Department for Education via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year ended 31 August 2019, the academy trust received income of £894,502 (2018: £881,417) in respect of General Annual Grant and other Government funding and £108,440 (2018: £116,923) other income, giving total income of £1,002,942 (2018: £998,340) for the year. Expenditure for the period amounted to £953,626 (2018: £1,009,127).

There was a loss on the LGPS defined benefit pension scheme of £161,000 in the year (2018: gain of £112,000).

Reserves Policy

The Governors believe reserves should be set at a level which will provide sufficient working capital to cover delays between spending and receipt of grants to allow for unexpected situations such as urgent maintenance work.

As at 31 August 2019 the academy trust had unrestricted reserves of £138,702. In addition, net current assets in restricted reserves were held of £67,029. It is the aim of the Governors to achieve a modest surplus and to build up reserves where possible.

These figures do not include the £264,000 liability on the LGPS pension scheme.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2019

Financial review (continued)

Investment Policy

With the exception of cash held for the operation of the academy trust, St Mary's Church of England Junior School has no realisable investments as at 31 August 2019. The Governing Board has adopted a low risk strategy to cash holdings operating an interest bearing account with the academy trust's bankers.

Principal Risks and Uncertainties

The Governors have responsibility to assess the strategic risks to which the academy trust is exposed and have completed a risk management register to ensure that steps are taken to mitigate risks.

This includes educational risks such as the academy trust not achieving the planned educational outcomes and maintenance and improvement on previous examination results, whole or partial building loss, financial and operational risks, including budget risks and health and safety reviews and safeguarding pupils. In this way steps are taken to mitigate risk. Some significant risks such as public and employee liability are covered by the academy trust's insurance policy.

The Governors are implementing a number of systems to assess risks that the academy trust faces, especially in the strategic risks areas and in relation to the control of finance. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. The academy trust has an effective system of internal financial controls and this is explained in more detail in this report.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was carried out by the Friends of St Marys who work closely with the School to run various events throughout the year.

Plans for future periods

The objectives for the next financial year as set out in the SIDP for 2019-2020 include the following:

- Improve the quality of education through intense implementation and impact of the wider curriculum and use of assessment
- Imbed positive behaviour attitudes through character developments and improved attendance
- Leadership and management to ensure vision and values are applied consistently and staff receive continuous professional development
- Further enhance Christian distinctiveness through the school

Human equalities policy

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The academy trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons

Lifts and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academy trust. The policy of the academy trust is to support recruitment and retention of pupils and employees with disabilities. The academy trust does this by adapting the physical environment, by making resources available and through training and career development.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

REPORT OF THE GOVERNORS (INCLUDING STRATEGIC REPORT) for the year ended 31 August 2019

Auditor

Insofar as the Governors are aware:

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

Lovewell Blake LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The report of the Governors, incorporating a strategic report, was approved by the Governors, as the company directors, on 2 December 2019 and signed on their behalf by:



Rev Heather Wilcox
Chair of Governors

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

GOVERNANCE STATEMENT for the year ended 31 August 2019

Scope of Responsibility

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

The Governing Board has delegated the day-to-day responsibility to the Principal, 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 Church of England Junior School and the Secretary of State for Education. They are also responsible for reporting to the Governing Board any material weaknesses or breakdowns in internal control.

Governance

The information of governance included here supplements that described in the Governors' report and in the statement of Governors' responsibilities. The Full Governing Board has formally met ten times during the year to 31 August 2019. Attendance during this period at Full meetings of the Governing Board was as follows:

Governor	Meetings attended	Out of a possible
Mrs Diane Perry-Yates	7	10
Rev Heather Wilcox	10	10
Ms Aziza Cranmer	10	10
Ms Ewa Parker	5	5
Mrs Julie Adams	9	10
Mrs Jenny Melling	7	10
Mrs. Maria Adcock	7	10

Diane Perry-Yates was reappointed Chair on 25 September 2018 and resigned on 4 November 2019. Rev Heather Wilcox was appointed Chair on 18 November 2019.

The largest challenge presented to the Governors during the year has been the continued need to operate the academy trust within a 'balanced budget' working alongside the newly appointed Principal whilst also recruiting a Deputy Principal.

Governors' key objectives

- Ensuring that the school maintains a robust financial basis and the money is well spent.
- To consolidate a new Senior Leadership Team which will enable the school to move forward and improve results.
- Ensuring that succession planning is supported through the development of Middle Leadership.
- Ensuring the progress and attainment of all pupils in all subjects, with a particular focus on Maths.
- Ensuring that the Pupil Premium difference is diminished and that SEND pupils make good progress.
- Ensuring that Christian Distinctiveness is implicit in the delivery of the curriculum.

The Governing Board received regular data reports on progress and attainment of all children. This is presented by cohort, group, gender and other categories and is regularly challenged by the Governing Board to ensure the data is robust. Alongside detailed gaps analysis of year 6 pupils, this data provides the Governing Board with the confidence it needs to ensure that appropriate strategies are in place to provide the best outcomes for the children. The data is also linked to the School Development Plan which in turn informs the school budget.

Governance reviews

The governing board will monitor their key objectives over the school year through their regular governing board meetings, learning walks, Deep Dive Days and through other management reports. The objectives will be tracked on a termly basis to see how they are helping improve the learning outcomes for the children. Through this, the governing board will monitor their strategic role.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

GOVERNANCE STATEMENT for the year ended 31 August 2019

The work of the Resources Committee has been subsumed into the full governing board meetings. Through this, the governing board ensure that a depth of financial knowledge is in place for all governors, which provides a robust analysis and challenge to the annual school budget.

Review of value for money

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

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Governing Board where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the academy trust has delivered improved value for money during the year as follows:

Improving educational results

Following a robust review of the curriculum and data the senior leadership have rolled out a new curriculum, which is addressing the gaps that have been identified in pupils learning and improving progress and attainment for all pupils. The new curriculum was launched in the summer term and a new maths programme introduced across the school.

Value for Money

To obtain best value for our money (achieving the best possible educational and wider societal outcomes through the economic, efficient and effective use of resources), all financial transactions and purchases follow the Academies Financial Handbook.

Governance

Good financial guidance and oversight is provided by our governing board. They have advised and challenged the Principal and School Support Manager during the past year to achieve value for money. The school has managed the budget well in a year when schools are being increasingly challenged by budget cuts to Local Authority Services, particularly in Social Care.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

GOVERNANCE STATEMENT for the year ended 31 August 2019

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mary's Church of England Junior School for the period 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 Governing Board has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 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 Governing Board.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Board;
- regular reviews by Governing Board 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 Board has considered the need for a specific internal audit function and has decided to appoint Educator Solutions as internal auditor. The internal auditor's function includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in relation to the current period included:

- reviewing finance systems and policies
- reviewing management reports and governor minutes
- review of cash flows
- review of asset register
- testing of payroll systems
- testing of purchase systems
- check of credit card transactions
- review of income systems
- review of accounting systems

On a regular basis, the internal auditor reports to the Governing Board on the operation of the systems of control and on the discharge of the Governing Board's financial responsibilities.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

GOVERNANCE STATEMENT for the year ended 31 August 2019

Review of Effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the School Support Manager who has 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 Governing Board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Board on 2 December 2019 and signed on its behalf by:



Rev Heather Wilcox
Chair of Governors



Ms Aziza Cranmer
Accounting Officer

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE for the year ended 31 August 2019

As Accounting Officer of St Mary's Church of England Junior School Academy Trust I have considered my responsibility to notify the Academy Trust Governing Board and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. 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 trust Governing Board are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the Governing Board and ESFA. If any instances are identified after the date of this statement, these will be notified to the Governing Board and ESFA:

- Financial issues

Matter 1 – No internal security checks were carried out during the year.

Matter 2 – Management accounts were not shared with the Chair of Governors on a timely basis each month during the year, or the Governing Board on a timely basis every two months during the year, due to delays in their preparation.

Matter 3 – The Budget Forecast Return Outturn was not submitted to ESFA by the 21 May deadline.



Ms Aziza Cranmer
Accounting Officer

2 December 2019

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

STATEMENT OF GOVERNORS' RESPONSIBILITIES for the year ended 31 August 2019

The Governors (who act as trustees for the charitable activities of St Mary's Church of England Junior School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgements and 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 operation

The Governors 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 Governors 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 ESFA/DfE have been applied for the purposes intended.

The Governors 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 Governing Board on 2 December 2019 and signed on its behalf by:



Rev Heather Wilcox
Chair of Governors

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS for the year ended 31 August 2019

Opinion

We have audited the financial statements of St Mary's Church of England Junior School 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. 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 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 trust'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 and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, 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 trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the Trustees' report (incorporating the strategic report and the directors report), the governance statement and the Accounting Officers 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.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS for the year ended 31 August 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement set out on page 14, the trustees (who are also the directors of the academy trust 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 trust'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 trust or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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:

<https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS for the year ended 31 August 2019

Use of this report

This report is made solely to the academy trust'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 trust'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 trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.



MARK PROCTOR FCA DChA (Senior Statutory Auditor)
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor
Bankside 300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

Date 05/12/19

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BOARD AND THE EDUCATION AND SKILLS FUNDING AGENCY for the year ended 31 August 2019

In accordance with the terms of our engagement letter dated 7 August 2019 and further to the requirements of the Education and 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 the academy trust during the year ended 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 Church of England Junior School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Mary's Church of England Junior School 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 Church of England Junior School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Mary's Church of England Junior School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Academy trust's funding agreement with the Secretary of State for Education dated 25 July 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 period 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

Delegated authorities: Carrying out the suggested procedures detailed in the Academies Accounts Direction 2018/19 Annex B section 4.4 – 4.10 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding write-offs, property transactions, leases, novel and contentious payments, special payments to staff, borrowings, and if the terms of a FNI have been complied with;

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE GOVERNING BOARD AND THE EDUCATION FUNDING AGENCY for the year ended 31 August 2019

Transactions with connected parties: Carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B section 4.12 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding declarations of interest and contracts with connected parties, including Governors, and employees providing external consultancy;

Governance: Carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.14 in considering whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its governance arrangements;

Internal controls: Identifying the policies, reviewing their effectiveness and testing the operation of controls, through carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.16 in order to consider whether the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its internal controls;

Procurement: Identifying the policies, reviewing their effectiveness and testing their operation, through carrying out the suggested procedures in the Academies Accounts Direction 2018/19 Annex B Section 4.18 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academies Financial Handbook 2018 regarding its procurement procedures; and

Income: Considering the conditions associated with specialist grant income and whether it has been spent as the purposes intended.

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 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.

Matter 1 – No internal security checks were carried out during the year.

Matter 2 – Management accounts were not shared with the Chair of Governors on a timely basis each month during the year, or the Governing Board on a timely basis every two months during the year, due to delays in their preparation.

Matter 3 – The Budget Forecast Return Outturn was not submitted to ESFA by the 21 May deadline.



MARK PROCTOR FCA DChA
Reporting Accountant
Lovewell Blake LLP
Bankside300
Peachman Way
Broadland Business Park
Norwich
NR7 0LB

Date 05/12/19

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2019
(including Income and expenditure account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	2	6,984	1,097	16,062	24,143	13,069
Charitable activities:						
Funding for the academy trust's educational operations	3	-	894,502	-	894,502	881,417
Other trading activities	4	72,809	11,237	-	84,046	103,527
Investments	5	251	-	-	251	327
Total		80,044	906,836	16,062	1,002,942	998,340
Expenditure on:						
Raising funds	6	29,106	-	-	29,106	29,705
Charitable activities:						
Academy trust's educational operations	6	-	888,388	36,132	924,520	979,422
Total		29,106	888,388	36,132	953,626	1,009,127
Net income/(expenditure)		50,938	18,448	(20,070)	49,316	(10,787)
Transfers between funds	14	-	-	-	-	-
Other recognised gains/ (losses)						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(161,000)	-	(161,000)	112,000
Net movement in funds		50,938	(142,552)	(20,070)	(111,684)	101,213
Reconciliation of funds						
Total funds brought forward		87,764	(54,419)	819,012	852,357	751,144
Total funds carried forward	14	138,702	(196,971)	798,942	740,673	852,357

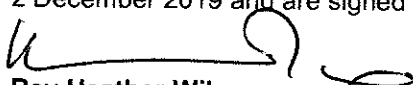
All of the academy trust's activities derive from continuing operations during the financial period. A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes on pages 23 to 39 form part of these financial statements.

BALANCE SHEET as at 31 August 2019

	Note	2019	2018
		£	£
Fixed assets			
Tangible assets	11	777,078	804,044
Current assets			
Debtors	12	45,702	30,069
Cash at bank and in hand		<u>243,545</u>	<u>161,744</u>
		289,247	191,813
Liabilities			
Creditors: Amounts falling due within one year	13	<u>(61,652)</u>	<u>(58,500)</u>
Net current assets		<u>227,595</u>	<u>133,313</u>
Total assets less current liabilities		1,004,673	937,357
Defined benefit pension scheme liability	21	<u>(264,000)</u>	<u>(85,000)</u>
Total net assets	14	<u>740,673</u>	<u>852,357</u>
Funds of the academy trust			
Restricted funds			
Fixed asset fund	14	798,942	819,012
Restricted income fund	14	67,029	30,581
Pension reserve	14	<u>(264,000)</u>	<u>(85,000)</u>
Total restricted funds		601,971	764,593
Unrestricted income funds	14	<u>138,702</u>	<u>87,764</u>
Total funds		<u>740,673</u>	<u>852,357</u>

The financial statements on pages 20 to 39 were approved by the Governing Board, and authorised for issue on 2 December 2019 and are signed on their behalf by:


Rev Heather Wilcox
 Chair of Governors

The notes on pages 23 to 39 form part of these financial statements.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

STATEMENT OF CASH FLOWS as at 31 August 2019

		2019	2018
	Note	£	£
Cash flows from operating activities			
Net cash provided by (used in) operating activities	17	65,488	(52,157)
Cash flows from investing activities	18	<u>16,313</u>	<u>6,667</u>
Change in cash and cash equivalents in the reporting period		81,801	(45,490)
Cash and cash equivalents at 1 September 2018		<u>161,744</u>	<u>207,234</u>
Cash and cash equivalents at 31 August 2019	19	<u>243,545</u>	<u>161,744</u>

The notes on pages 23 to 39 form part of these financial statements.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

1. Statement of accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Going concern

The Governors 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 company to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements, and have concluded that the academy trust has adequate reserves to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to operate the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **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 period 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 grant are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised where there is entitlement and are not deferred over the life of the asset on which they are expended.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

1. Statement of accounting policies (continued)

- **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 period it is receivable and to the extent the academy trust has provided the goods or services.
- **Donated goods, facilities and services**
The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

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 trust 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 trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £1,000 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

1. Statement of accounting policies (continued)

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Long leasehold buildings	2%
Long leasehold land	Over the period of the lease
Fixtures, fittings and equipment	10%-20%
Computer equipment	25%

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.

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 trust 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.

Leased assets

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

Leased property

The academy trust has recognised the value of the property occupied by it under a lease of 125 years, as prepared on behalf of the Education and Skills funding Agency as at 17 August 2011.

Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. 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 13. 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.

Taxation

The academy trust 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 trust 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.

Pensions benefits

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

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

1. Statement of accounting policies (continued)

Pensions benefits (continued)

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 trust 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 trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability 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 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.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the Governors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency.

Critical accounting estimates and areas of judgement

Estimates and judgements 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 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 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.

Redundancy

Where an obligation to make a redundancy or termination payment arises, the costs incurred by the academy trust are accounted for on an accruals basis and included within employee benefits.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted £	Restricted £	2019 £	2018 £
Donations	6,984	1,097	8,081	6,729
Capital grants	-	16,062	16,062	6,340
	<u>6,984</u>	<u>17,159</u>	<u>24,143</u>	<u>13,069</u>

Income from donations and capital grants was £24,143 (2018: £13,069) of which £6,984 was unrestricted (2018: £6,729), £1,097 was restricted (2018: £Nil) and £16,062 was restricted fixed assets (2018: £6,340).

Capital grants include government grants of £16,062 (2018: £6,340).

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted £	Restricted £	2019 £	2018 £
DfE/ESFA revenue grants				
• General Annual Grant (GAG)	-	812,748	812,748	774,838
• Other DfE Group Grants	-	81,754	81,754	106,579
	<u>-</u>	<u>894,502</u>	<u>894,502</u>	<u>881,417</u>

Funding for the academy trust's educational operations was £894,502 (2018: £881,417) of which £Nil was unrestricted (2018: £Nil), £894,502 restricted (2018: £881,417) and £Nil was restricted fixed assets (2018: £Nil).

4. OTHER TRADING ACTIVITIES

	Unrestricted £	Restricted £	2019 £	2018 £
Trips	27,095	-	27,095	31,086
Activities	18,959	-	18,959	32,733
Hire of facilities	857	-	857	983
Catering income	23,981	-	23,981	28,384
Insurance claims – staff absence	-	10,100	10,100	6,124
Other income	1,917	1,137	3,054	4,217
	<u>72,809</u>	<u>11,137</u>	<u>84,046</u>	<u>103,527</u>

Income from other trading activities was £84,046 (2018: £103,527), of which £72,809 was unrestricted (2018: £97,403), £11,137 restricted (2018: £6,124) and £Nil was restricted fixed assets (2018: £Nil).

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

5. INCOME FROM INVESTMENTS

	Unrestricted £	Restricted £	2019 £	2018 £
Bank Interest	251	-	251	327

Income from investments was £251 (2018: £327), of which £251 was unrestricted (2018: £327), £Nil was restricted (2018: £Nil) and £Nil was restricted fixed assets (2018: £Nil).

6. EXPENDITURE

	Non pay expenditure			Total 2019 £	Total 2018 £
	Staff Costs £	Premises £	Other £		
Expenditure on raising funds:	-	-	29,106	29,106	29,705
Charitable activities:					
Academy trust's educational operations:					
Direct costs	589,529	70,045	1,305	660,879	702,255
Allocated support costs	82,054	45,954	117,633	245,641	250,197
FRS102 pension costs	18,000	-	-	18,000	27,000
	<u>689,583</u>	<u>115,999</u>	<u>148,044</u>	<u>953,626</u>	<u>1,009,127</u>

Expenditure was £953,626 (2018: £1,009,127), of which £29,106 was unrestricted (2018: £29,705), £888,388 was restricted (2018: £949,964) and £36,132 was restricted fixed assets (2018: £29,458).

Net income/(expenditure) for the year includes:	2019 £	2018 £
Operating lease rentals	777	1,367
Depreciation	26,966	29,458
Fees payable to auditor		
- audit	8,955	8,245
- other services	11,095	10,861

7. CHARITABLE ACTIVITIES

	Unrestricted £	Restricted £	2019 £	2018 £
Direct costs - educational operations	-	660,879	660,879	702,225
Support costs - educational operations	-	245,641	245,641	250,197
FRS102 pension costs	-	18,000	18,000	27,000
	<u>-</u>	<u>924,520</u>	<u>924,520</u>	<u>979,422</u>

Expenditure on charitable activities was £924,520 (2018: £979,422), of which £Nil was unrestricted (2018: £Nil), £888,388 was restricted (2018: £949,964) and £36,132 was restricted fixed assets (2018: £29,458).

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

7. CHARITABLE ACTIVITIES (continued)

	Unrestricted £	Restricted £	2019 £	2018 £
Analysis of support costs				
Support staff costs	-	82,054	82,054	90,359
Premises costs	-	45,954	45,954	55,450
Other support costs	-	98,880	98,880	84,278
Governance costs	-	18,753	18,753	20,110
Total support costs	-	245,641	245,641	250,197
Analysis of governance costs				
Legal and professional fees	-	7,323	7,323	9,390
Auditors remuneration – audit of financial statements	-	8,955	8,955	8,245
Clerking service	-	2,475	2,475	2,475
	-	18,753	18,753	20,110

Support costs totalled £245,641 (2018: £250,197), of which £Nil was unrestricted (2018: £Nil), £245,641 was restricted (2018: £250,197) and £Nil was restricted fixed assets (2018: £Nil).

8. STAFF

a) Staff costs

Staff costs during the period were:

	Total 2019 £	Total 2018 £
Wages and salaries	530,939	536,325
Social security costs	39,932	42,398
Pension costs	<u>87,226</u>	<u>104,417</u>
	<u>658,097</u>	<u>683,140</u>
Supply staff costs	28,348	7,131
Staff restructuring costs	<u>3,138</u>	<u>18,000</u>
	<u>689,583</u>	<u>708,271</u>
Staff restructuring costs comprise:		
Severance payments	<u>3,138</u>	<u>18,000</u>

b) Non statutory/non-contractual staff severance payments

Included in staff re-structuring costs are non-statutory/non-contractual severance payments totalling £3,138 (2018: £18,000). Individually these totalled £2,000 and £1,138 (2018: £18,000).

c) Staff numbers

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

	2019 No	2018 No
Charitable Activities		
Teaching	8	7
Administration and support	19	27
Management	<u>2</u>	<u>2</u>
	<u>29</u>	<u>36</u>

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

8. STAFF (continued)

d) Higher paid staff

There were no employees during the period with emoluments above £60,000.

e) Key management personnel

The key management personnel of the academy trust comprise the Governors 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 trust were £90,913 (2018: £154,823).

9. RELATED PARTY TRANSACTIONS - GOVERNORS' REMUNERATION AND EXPENSES

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

A Cranmer (Principal and Governor)		
Remuneration	£55,000 - £60,000	(2018 - £Nil)
Employer's pension contributions	£0 - £5,000	(2018 - £Nil)

During the year ended 31 August 2019, travel and subsistence expenses totalling £158 were reimbursed or paid directly to 1 Governor (2018: £508 to two Governors). Other related party transactions involving the Governors are set out in note 22.

10. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides maximum cover up to £5,000 on any one claim. The cost of this insurance is included in the total insurance cost.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

11. TANGIBLE FIXED ASSETS

	Leasehold land & buildings £	Fixtures, furniture & equipment £	Computer equipment £	Total £
Cost				
At 1 September 2018	868,410	56,937	25,243	950,590
Additions	-	-	-	-
At 31 August 2019	<u>868,410</u>	<u>56,937</u>	<u>25,243</u>	<u>950,590</u>
Depreciation				
At 1 September 2018	100,780	26,520	19,246	146,546
Charge in period	17,939	5,694	3,333	26,966
At 31 August 2019	<u>118,719</u>	<u>32,214</u>	<u>22,579</u>	<u>173,512</u>
Net book value				
At 31 August 2019	<u>749,691</u>	<u>24,723</u>	<u>2,664</u>	<u>777,078</u>
At 31 August 2018	<u>767,630</u>	<u>30,417</u>	<u>5,997</u>	<u>804,044</u>

All assets are used for educational purposes.

The buildings occupied by the academy trust are leased from the Norwich Diocesan Board of Education for a 'peppercorn' rent for a period of 125 years. In addition, the land occupied by the academy trust is leased from Norfolk County Council on a 125 year lease which commenced on 17 August 2011.

12. DEBTORS

	2019 £	2018 £
Trade debtors	6,491	2,986
Prepayments and accrued income	12,415	22,048
VAT recoverable	<u>26,796</u>	<u>5,035</u>
	<u>45,702</u>	<u>30,069</u>

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	17,831	29,485
Other taxation and social security	12,073	9,349
Other creditors	7,616	9,460
Accruals and deferred income	<u>24,132</u>	<u>10,206</u>
	<u>61,652</u>	<u>58,500</u>
Deferred income	2019	2018
	£	£
Deferred income at 1 September 2018	50	1,440
Released from previous years	(50)	(1,440)
Resources deferred in the year	—	50
Deferred income at 31 August 2019	<u>—</u>	<u>50</u>

Deferred income was in respect of school trip income received during 2017/18 relating to 2018/19.

14. FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted funds					
General Annual Grant (GAG)	-	826,373	(788,355)	-	38,018
Other DfE/ESFA grants	30,581	68,129	(70,158)	-	28,552
Pension reserve	(85,000)	-	(18,000)	(161,000)	(264,000)
Other restricted	-	12,334	(11,875)	-	459
	<u>(54,419)</u>	<u>906,836</u>	<u>(888,388)</u>	<u>(161,000)</u>	<u>(196,971)</u>
Restricted fixed asset funds					
Donated assets	11,442	-	(956)	-	10,486
Transfer on conversion	679,646	-	(16,099)	-	663,547
DfE/ESFA capital grants	6,340	16,062	(9,166)	-	13,236
Capital expenditure from GAG	121,584	-	(9,911)	-	111,673
	<u>819,012</u>	<u>16,062</u>	<u>(36,132)</u>	<u>-</u>	<u>798,942</u>
Total restricted funds	<u>764,593</u>	<u>922,898</u>	<u>(924,520)</u>	<u>(161,000)</u>	<u>601,971</u>
Unrestricted funds					
General reserves	87,764	80,044	(29,106)	-	138,702
Total unrestricted funds	<u>87,764</u>	<u>80,044</u>	<u>(29,106)</u>	<u>-</u>	<u>138,702</u>
Total funds	<u>852,357</u>	<u>1,002,942</u>	<u>(953,626)</u>	<u>(161,000)</u>	<u>740,673</u>

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

GAG & other DfE grants: the restricted income fund is for the purpose of specific expenditure within the academy trust's declared objectives. DfE grants relate to government funding for the provision of education by the academy trust. Funding is repayable if the academy trust does not meet all funding requirements. Expenditure which has not been covered by GAG funding has been transferred to unrestricted funds.

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

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

14. FUNDS (CONTINUED)

Pension reserve: represents the academy trust's liability relating to the Local Government Pension Scheme. Any increase in pension contributions suggested by the Scheme Actuary should be able to be met from the academy trust's budgeted annual income.

Fixed asset fund: represents the value of fixed assets transferred on conversion and acquisitions since conversion, less accumulated depreciation.

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted funds					
General Annual Grant (GAG)	-	768,240	(818,410)	50,170	-
Other DfE/ESFA grants	15,834	119,301	(104,554)	-	30,581
Pension reserve	(170,000)	-	(27,000)	112,000	(85,000)
	<u>(154,166)</u>	<u>887,541</u>	<u>(949,964)</u>	<u>162,170</u>	<u>(54,419)</u>
Restricted fixed asset funds					
Donated assets	12,398	-	(956)	-	11,442
Transfer on conversion	695,745	-	(16,099)	-	679,646
DfE/ESFA capital grants	-	6,340	-	-	6,340
Capital expenditure from GAG	133,987	-	(12,403)	-	121,584
	<u>842,130</u>	<u>6,340</u>	<u>(29,458)</u>	<u>-</u>	<u>819,012</u>
Total restricted funds	687,964	893,881	(979,422)	162,170	764,593
Unrestricted funds					
General reserves	63,180	104,459	(29,705)	(50,170)	87,764
Total unrestricted funds	63,180	104,459	(29,705)	(50,170)	87,764
Total funds	751,144	998,340	(1,009,127)	112,000	852,357

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £	Restricted general funds £	Restricted fixed asset funds £	Total Funds £
Tangible fixed assets	-	-	777,078	777,078
Current assets	138,702	128,681	21,864	289,247
Current liabilities	-	(61,652)	-	(61,652)
Pension scheme liability	-	(264,000)	-	(264,000)
Total net assets	138,702	(196,971)	798,942	740,673

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

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

	Unrestricted Funds £	Restricted general funds £	Restricted fixed asset funds £	Total Funds £
Tangible fixed assets	-	-	804,044	804,044
Current assets	87,764	89,081	14,968	191,813
Current liabilities	-	(58,500)	-	(58,500)
Pension scheme liability	-	(85,000)	-	(85,000)
Total net assets	87,764	(54,419)	819,012	852,357

16. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	777	777
Amounts due between one and five years	<u>983</u>	<u>1,760</u>
	<u>1,760</u>	<u>2,537</u>

17. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	49,316	(10,787)
Adjusted for:		
Depreciation (note 11)	26,966	29,458
Capital grants from DfE and other capital income	(16,062)	(6,340)
Interest receivable (note 5)	(251)	(327)
Defined benefit pension scheme cost less contributions payable (note 21)	16,000	22,000
Defined benefit pension scheme finance cost (note 21)	2,000	5,000
(Increase)/decrease in debtors	(15,633)	33,693
Increase/(decrease) in creditors	<u>3,152</u>	<u>(124,854)</u>
Net cash provided by/(used in) operating activities	<u>65,488</u>	<u>(52,157)</u>

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

18. CASH FLOWS FROM INVESTING ACTIVITIES

	2019	2018
	£	£
Capital grants from DfE Group	16,062	6,340
Interest receivable	251	327
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	16,313	6,667
	<hr/>	<hr/>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash in hand and at bank	243,545	161,744
	<hr/>	<hr/>
	243,545	161,744
	<hr/>	<hr/>

20. 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.

21. PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £7,616 were payable to the schemes at 31 August 2019 (2018: £9,460) 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' 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 in a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

21. PENSION AND SIMILAR OBLIGATIONS (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to TPS in the period amounted to £66,531 (2018: £53,220).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2019 was £31,000 (2018: £30,000) of which employer's contributions totalled £25,000 (2018: £24,000) and employees' contributions totalled £6,000 (2018: £6,000). The agreed contribution rates for future years are 21.9% for year ended 31 August 2020 and 19.9% for subsequent years, with agreed deficit payments of £2,100 for 2019/20, £2,400 for 2020/21, £2,100 for 2021/22, and £1,600 for 2022/23.

Parliament has agreed at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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	2.6
Rate of increase for pensions in payment/inflation	2.3	2.3
Discount rate for scheme liabilities	1.9	2.8

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

21. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.4	24.1
Females	25.0	26.4
	31 August 2019	31 August 2018
	£	£
Real discount rate -0.5%	149,000	112,000
Salary increase rate +0.5%	35,000	29,000
Pension increase rate +0.5%	111,000	81,000

The academy trust's share of the assets in the scheme were:

	Fair value at 31 August 2019	Fair value at 31 August 2018
	£	£
Equity instruments	351,330	333,030
Debt instruments	258,120	222,020
Property	86,040	78,360
Cash	<u>21,510</u>	<u>19,590</u>
Total market value of assets	<u>717,000</u>	<u>653,000</u>

The actual return on scheme assets was £35,000 (2018: £37,000).

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

21. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Amounts recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost (net of employee contributions)	32,000	46,000
Net interest	<u>2,000</u>	<u>5,000</u>
Total operating charge	<u>34,000</u>	<u>51,000</u>

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

At 1 September 2018	738,000	759,000
Current service cost	38,000	46,000
Past service cost	3,000	-
Interest cost	21,000	20,000
Employee contributions	6,000	6,000
Benefits paid	(2,000)	(3,000)
Actuarial loss/(gain)	<u>177,000</u>	<u>(90,000)</u>
At 31 August 2019	<u>981,000</u>	<u>738,000</u>

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

At 1 September 2018	653,000	589,000
Interest income	19,000	15,000
Actuarial gain	16,000	22,000
Benefits paid	(2,000)	(3,000)
Employer contributions	25,000	24,000
Employee contributions	<u>6,000</u>	<u>6,000</u>
At 31 August 2019	<u>717,000</u>	<u>653,000</u>

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the Governing Board being drawn from local public and private sector organisations, transactions may take place with organisations in which a Governor has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transaction made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Expenditure Related Party Transactions

During the year, the academy trust was invoiced £2,475 (2018: £2,475) in respect of clerking services provided by Governor Clerking Service, a business owned by Mr C Perry-Yates, husband of Mrs D Perry-Yates, Chair of Governors. Mrs D Perry-Yates received £158 during the year for reimbursed expense claims.

S Adcock, spouse of M Adcock, a trustee, was employed by the academy trust during the year as a caretaker. S Adcock's appointment was made in open competition and M Adcock was not involved in the decision making process regarding appointment. S Adcock was paid within the normal pay scale for his role and received no special treatment as a result of his relationship to a trustee.

ST MARY'S CHURCH OF ENGLAND JUNIOR SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

23. FINANCIAL INSTRUMENTS

The carrying amounts of the academy trust's financial instruments are as follows:

	2019	2018
	£	£
<i>Financial assets</i>		
Debt instruments measured at amortised cost:		
Trade debtors (note 12)	6,491	2,986
Accrued income (note 12)	8,915	9,616
	<u>15,406</u>	<u>12,602</u>
 <i>Financial liabilities</i>		
Measured at amortised cost:		
Trade creditors (note 13)	17,831	29,485
Accruals (note 13)	22,132	10,156
	<u>39,963</u>	<u>39,641</u>