

**ST TERESA'S CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

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ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members	Mr SM Clements The Right Reverend A Williams The Brentwood Diocesan Trust
Trustees	Mrs M Kelly, Headteacher Mrs G Callegari, Parent Governor (resigned 21 February 2017) Mr SM Clements, Chair Mr G Garvey, Foundation Governor Miss G Hilton, Staff Governor Fr TP Levin, Foundation Governor Mrs E Thrower, Foundation Governor (appointed 1 September 2016) Mr C Wetton, Vice Chair Mr M Dawson, Foundation Governor Mr M Hockly, Foundation Governor Mrs H Baker, Parent Governor (appointed 31 October 2016) Mr L North, Parent Governor (appointed 26 April 2017) Mr W Thomas, Parent Governor (appointed 26 April 2017)
Company registered number	08111345
Company name	St Teresa's Catholic Primary School
Registered and principal office	Clairmont Road Colchester Essex CO3 9BE
Company Secretary	Mrs D Chapman
Accounting Officer	Mrs M Kelly
Senior Leadership Team	Mrs M Kelly, Headteacher Mrs D Chapman, Business Manager Miss L Spratt, KS1 Leader Mrs D Emerson, KS2 Leader Miss G Hilton, Early Years Leader
Independent Auditors	Price Bailey LLP Chartered Accountants Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their Annual Report together with the financial statements and Auditors' Report of St Teresa's Catholic Primary School (The Academy, the Trust or the Charitable Company) for the year ended 31 August 2017. The Governors confirm that the Annual Report and financial statements comply with the current statutory requirements of the Company's governing document, the ESFA accounts guidance and the provisions of the statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Charitable Company operates an academy school for pupils aged 4 – 11 years serving the catchment area set out by the Diocese. It has a pupil capacity of 218 and on roll of 221 in the 2017 school census.

Structure, Governance and Management

Constitution

The 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. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Academy is also known as St Teresa's Catholic Primary School (the School).

Details of the Governors who served throughout the year except as noted are indicated 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

In accordance with normal commercial practice the Governors are covered by indemnity insurance purchased at the Academy's expense to cover the liability of the Governors and Officers from claims in respect of any negligence, default or breach of trust or breach of duty in which they may be guilty in relation to the Academy business. The insurance provides cover up to £5,000,000 on any one claim and details of the costs are disclosed in note 10 to the accounts. Such indemnity will not apply to any act or omission which the Governors knew to be a breach of trust or a breach of duty or which was committed by the Governors in reckless disregard, nor will such indemnity extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as Directors of the Academy.

Method of Recruitment and Appointment or Election of Trustees

- Parent Governors are appointed by election of parents of the pupils attending the School.
- Staff Governors are appointed by election of the staff employed by the Academy.
- Foundation Governors are appointed by Brentwood Diocese, one of whom shall be the Parish Priest.
- The Headteacher automatically becomes an ex officio Governor.
- Further Governors may be appointed by the Secretary of State.

Principal Activities

The principal activities of the Charitable Company are for the provision of education by establishing, maintaining, carrying on, managing and developing the School offering a broad and balanced curriculum. The Academy is constituted as a 4 – 11 school for the period to 31 August 2017.

Policies and Procedures adopted for the induction and training of Governors

The Charitable Company is committed to providing adequate opportunities for Governors to undertake and receive suitable training so as to enable them to perform their role effectively.

New Governors are required to attend an induction training programme. The induction programme would involve a tour of the School, meetings with students and staff and provision of policy and procedures documents that are appropriate to the role they undertake as Governors with particular emphasis on the committee work that they will undertake.

All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documentation required to undertake their role as Governors. The Academy also purchases the local authority Governor Training Scheme.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure

The Governing Body, which meets on at least 3 occasions per year, is responsible for the strategic direction of the Academy. The Governing Body reviews progress towards educational objectives and results. They also responsible for setting and implementing strategic policy; setting an annual plan and budget for the following year; budget monitoring making major decisions about the direction of the Academy; approval of major expenditure requests; setting the organisational staffing structure and agreeing the performance objectives of the Headteacher with the School Improvement Partner if required.

The full Governing Body delegates certain of its functions to the Finance, Premises and Personnel Committee. These meetings are also attended by members of the Academies Senior Leadership Team (SLT) as required.

The Headteacher is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy on a daily basis supported by the SLT. The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Governing Body as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the School.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key management personnel include Academy Governors and those staff to whom the Governors have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

Connected Organisations and Related Parties

Owing to the nature of the Trust's operations and the composition of the Governing Body and Governors being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which a Governor may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procedures. Any transaction where the Governors may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the year in pursuit of its charitable activities:

- Local Authority.
- Diocese of Brentwood.
- Working in Partnership with Local Schools.
- Friends of St Teresa's.

Risk Management

The Academy maintains a risk register identifying the major risks to which it is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the Finance, Premises and Personnel Committee. The principal risks facing the Academy are outlined below in the principal risks and uncertainties section; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Governors report that the Academy's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Objectives and Activities

Objectives and Aims

The Governing Body had the following main objectives for the period ended 31 August 2017.

- To provide learning opportunities for all children in a Christ centred environment.
- To make real our mission statement; we love God and each other and follow the example of St Teresa. We enjoy learning together and doing our best in a happy, healthy and welcoming community. We learn to be responsible and caring citizens. "Let us do little things well today".
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- To continue to raise the standard of educational achievement of all pupils and thereby to maintain the Academy's local and national reputation.
- To improve the effectiveness of the School by keeping the curriculum and organisational structure under continual review.
- To provide value for money for the funds expended.
- To comply with all appropriate statutory and curriculum requirements.
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

Strategies and Activities

In keeping with its objectives for the period, the main activities provided by the School included:

- Tuition and learning opportunities for all children to attain appropriate academic standards and progress.
- Training opportunities for all staff and especially teaching staff.
- A programme of sporting and after school leisure activities for all children.
- Promotion of effective links with St Teresa's Parish to enhance the spiritual life of the School.

School Specific Points

St Teresa's Catholic Primary School achieved an OUTSTANDING from Ofsted in all areas in January 2014. During this academic year our aim has been to get the best for and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values.

Public Benefit

The Governors believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

The Academy has operated in accordance with its funding agreement as a non-charging, non profit organisation throughout the period in question. Pupil admissions to the Academy have been contacted in accordance with admissions policy agreed by the Diocese of Brentwood.

Strategic Report

Achievements and Performance

The School had an Ofsted visit in January 2014 and was reported OUTSTANDING in all areas.

The Governors measures its success partly through a series of performance indicators. These indicators comprise:

- School popularity/admissions.
- Test results and other indicators of children's progress.
- Staff performance monitoring.
- Financial health.
- Stakeholder survey outcomes.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

EYFS data for 2017

Children will have achieved a GLD (Good Level of Development) at the end of EYFS if they achieve at least the expected level in the prime areas of learning (Communication and Language, Physical Development, Personal, Social and Emotional Development) and the ELG (Early Learning Goals) in the specific areas of Mathematics and Literacy.

The APS (average points score) is calculated by adding up the points awarded for each of the 17 ELGs

	St Teresa's	Essex	National
GLD	83.3%	73.5%	70.7%
APS	37.8	35.2	34.5

There is an 18.8% rise in the percentage of children at a Good Level of Development since 2016 and a 4% rise since 2015.

There has been a 0.9 point rise in the APS since 2016 and a 2 point rise since 2015

YEAR 1 PHONICS DATA – 2017

Year 1 Phonics (30 pupils):	%	% Essex	% National
Y1 Standard Met	87.1	81.9	81.2
Y1 Standard Not Yet Met	12.9	18.1	18.8
Year 2 Phonics Re Test (3 pupils):			
Y2 Standard Met	100	62.8	61.6
Y2 Standard Not Yet Met	-	37.2	38.4

There has been a slight decrease in the number of pupils passing the screening test in Y1 compared to 2016 but the % of pupils passing the resit remains very high.

KEY STAGE 1 DATA – 2017

Subject:	% Working at the expected standard (EXS)	% Essex working at the expected standard (EXS)	% National working at the expected standard (EXS)	% Working at a greater depth (GDS)	% Essex working at a greater depth (GDS)	% National working at a greater depth (GDS)
Writing	75.9	69.8	68.2	24.1	17.9	15.6
Reading	82.8	77.9	75.5	48.3	28.8	25.2
Mathematics	72.4	76.2	75.1	34.5	22.6	20.5
Reading, writing and maths combined	64.5	62.7	60.3	20.7	12.6	10.9

KEY STAGE 2 DATA – 2017

Subject:	% achieved standard	% Essex achieved standard	% National achieved standard	% higher attainers	% higher attainers Essex	% higher attainers National	Average scaled score	National average scaled score	National average scaled score
Reading	100	73.3	71.5	38.7	25.0	24.4	109.6	104.4	104.1
Grammar, punctuation and spelling	96.8	78.6	76.9	48.4	31.6	30.8	109.1	106.2	106
Writing	87.1	78.0	76.3	29.0	20.6	17.7	n/a	n/a	n/a
Maths	96.8	76.4	74.9	38.7	23.2	22.5	108.9	104.4	104.2
Combined reading, writing and maths	83.9	63.1	61.1	25.8	9.9	8.6	n/a	n/a	n/a

The raw scores achieved in tests are converted to scaled scores. Scaled scores range from 80 – 120. A scaled score of 100 shows that the pupils have met the expected standard in the test. The higher the scaled score the better they did.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Key Performance Indicators

The Governors receive termly information to enable them to monitor the performance of the Academy compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2016/17 were 221 (2015/16: 221).

Another key financial performance indicator is staffing costs as a percentage of total income (excluding capital grants). For 2016/17 this was 76.2% (2015/16: 73.5%).

Going concern

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

Financial Review

The Governors believe that the Academy's financial position is adequate with the increase in general operating reserves from £126,008 to £153,534 in the year.

The principal source of funding for the Academy is the General Annual Grant (GAG) and other grants that it receives from the ESFA. For the year ended 31 August 2017 the Trust received £954,992 of GAG and other Government funding. A high percentage of this funding is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education.

The Academy has received unrestricted income from other sources of £55,379 during the year and has carried a surplus of £153,534 forward which will be used as a contingency to cover increased expenditure or reductions in funding in future years.

Financial Position

The Academy held fund balances at 31 August 2017 of £153,534 all comprising of unrestricted funds. The Academy also had a pension reserve deficit of £662,000.

At 31 August 2017 the net book value of fixed assets was £205,719 and movement in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Reserves policy

The Governors are aware of the requirement to balance current and future needs. Budgets and expenditure plans are developed to create a small annual surplus to build up a sufficient contingency to meet unexpected changes in the levels of income or expenditure. Governor's do not expect this to fall below £50,000.

As the Academy's free reserves (total funds less the amount held in fixed assets and restricted funds) has increased by £27,526 to £153,534 during the year, the Governors believe that the level of free reserves is adequate to face the current uncertainties and changing operating environment.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Academy is recognising a significant pension fund deficit of £662,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Financial and Risk Management Objectives and Policies

Principal Risks and Uncertainties

The Governors maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Governors at each Finance Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Governors report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The financial performance of the Academy is closely monitored by the Finance, Premises and Personnel Committee. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Governors assess the principal risks and uncertainties facing the Academy as follows:

- The Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Staff retention and new appointments: possibly the biggest single risk to the Academy would lie in its failure to retain key staff – appointment of new staff to key positions (such as the new Headteacher in 2016) requires additional resources and support to ensure smooth transition.
- Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.
- Fraud and mismanagement of funds - The Academy has appointed an Internal Auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.
- Financial constraints - Although there has been an improvement in the reserves of the Academy, the Governors intend to continue to maintain tight budgetary controls and monitoring, and to identify and address any emerging financial risks.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Plans for Future Periods

The Governors will continue striving to improve the levels of performance of the students at all levels, and will attempt to maintain its recent progress in ensuring the number of students on the roll properly reflects the demand for places.

The Governors intend to enhance and expand facilities in pursuance of the School's commitment to ensure that all students achieve their potential. It is recognised that students with differing abilities and aptitudes will have differing curriculum requirements and that a greater diversity of learning environments will be required to deliver these.

St Teresa's Catholic Primary School continues to seek opportunities to engage with local schools with the ultimate aim of building a family of schools of exceptional quality.

Held Funds

St Teresa's Catholic Primary School has held funding of £35,000 on behalf of three local primary schools as part of the National College for Teaching and Leadership. As at 31 August 2017 the fund balance was £NIL. The School's previous Headteacher was a local leader in education and commissioned by the National College and Local Authority to work with other schools.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

Provision of Information to Auditors

Each of the persons who are Governors at the time when this Governors Report is approved has confirmed that:

- there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- the Governors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Trustees' Report was approved by the Board of Trustees on 5 December 2017 and signed on the Board's behalf by:

Mr SM Clements
Chair of Trustees

ST TERESA'S CATHOLIC PRIMARY SCHOOL

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that St Teresa's Catholic Primary 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 Full Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Teresa's Catholic Primary School and the Secretary of State for Education. They are also responsible for reporting to the Full Governing Body any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Full Governing Body has formally met 4 times during the year. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs M Kelly	4	4
Mrs G Callegari	2	2
Mr SM Clements	4	4
Mr G Garvey	2	4
Miss G Hilton	4	4
Fr TP Levin	4	4
Mrs E Thrower	4	4
Mr C Wetton	4	4
Mr M Dawson	4	4
Mr M Hockly	2	4
Mrs H Baker	3	4
Mr L North	1	1
Mr W Thomas	0	1

Changes to the composition of the Governing Body:

Mrs G Callegari resigned from the Governing Body with effect from 22/02/17 for personal reasons;

Mr Lloyd North was appointed as a Foundation Governor on 27/02/17;

Mrs Helen Baker was appointed as a Parent Governor on 30 Oct 2016; and

Mr Warren Thomas was appointed as a Parent Governor on 26/04/17.

The Finance, Premises and Personnel Committee is a sub-committee of the Full Governing Body. Its purpose is to deal with all financial matters.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr SM Clements	4	4
Mr C Wetton	3	4
Mr G Garvey	3	4
Mr M Dawson	4	4
Mr M Hockly	3	4
Mrs H Baker	1	1
Mrs M Kelly	4	4
Mrs G Callegari	2	2

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

- being dilligent in managing funds as effectively and efficiently as possible for the benefit of the pupils;
- ensuring that tendering procedures are followed in line with out financial regulations and that best value is sought. Several vital improvements to the school IT infrastructure have been made including hard-wire networking of computers in the IT suite and installation of new whiteboards in several classrooms. Improvements to flooring have also been carried out. A bid for funding from the Condition Improvement Fund was made but only narrowly fell short of being successful. It is planned to resubmit a modified version of this bid, hopefully with improved prospects of a successful outcome; and
- reducing RO visit costs by changing the frequency of visits from one per term to one annually, as justified by the limited number and severity of issues identified.

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 the Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Teresa's Catholic Primary School for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Full Governing Body has reviewed the key risks to which the the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Full Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Full Governing Body.

THE RISK AND CONTROL FRAMEWORK

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

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

The Full Governing Body has considered the need for a specific internal audit function and has decided to appoint Essex County Council as Internal Auditor.

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GOVERNANCE STATEMENT (continued)

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the the Academy's financial systems. In particular the checks carried out in the current period included testing on the following sections:

- Governance and Financial Management.
- Payroll and Expenses.
- Payroll Procedures.

On an annual basis, the Internal Auditor reports to the Full Governing Body through the Finance, Premises and Personnel Committee on the operation of the systems of control and on the discharge of the Full Governing Body's financial responsibilities.

The Internal Auditor delivered their schedule of works as planned and any actions points raised have been been actioned.

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Premises and Personnel Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 5 December 2017 and signed on their behalf, by:

Mr SM Clements
Chair of Trustees

Mrs M Kelly
Accounting Officer

ST TERESA'S CATHOLIC PRIMARY SCHOOL

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Teresa's Catholic Primary School I have considered my responsibility to notify the Board of Trustees 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Board of Trustees 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's funding agreement and the Academies Financial Handbook 2016.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.

Mrs M Kelly
Accounting Officer

Date: 5 December 2017

ST TERESA'S CATHOLIC PRIMARY SCHOOL

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STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as Governors of St Teresa's Catholic Primary School and are also of the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

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

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

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

Approved by the Board of Trustees on 5 December 2017 and signed on its behalf by:

Mr SM Clements
Chair of Trustees

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

OPINION

We have audited the financial statements of St Teresa's Catholic Primary School (the "Academy") for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its incoming resources and application of resources 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 2016 to 2017 issued by the Education and Skills Funding Agency.

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report), for which the financial statements have been 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

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
TERESA'S CATHOLIC PRIMARY SCHOOL**

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
13 December 2017

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST TERESA'S CATHOLIC PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 7 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Teresa's Catholic Primary School during the year 1 September 2016 to 31 August 2017 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 Teresa's Catholic Primary School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Teresa's Catholic Primary School and the ESFA those matters we are required to state in a Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Teresa's Catholic Primary School and the ESFA, for our work, for this Report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ST TERESA'S CATHOLIC PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of St Teresa's Catholic Primary School's funding agreement with the Secretary of State for Education dated 20 February 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Academy, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST TERESA'S
CATHOLIC PRIMARY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Chartered Accountants

13 December 2017

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	-	94,536	6,453	100,989	159,294
Charitable activities	3	24,860	930,132	-	954,992	927,335
Other trading activities	4	30,376	13,317	-	43,693	30,018
Investments		143	-	-	143	226
TOTAL INCOME		55,379	1,037,985	6,453	1,099,817	1,116,873
EXPENDITURE ON:						
Charitable activities		27,853	1,094,157	31,857	1,153,867	1,174,164
TOTAL EXPENDITURE	5	27,853	1,094,157	31,857	1,153,867	1,174,164
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		27,526	(56,172)	(25,404)	(54,050)	(57,291)
Transfers between funds	14	-	(11,828)	11,828	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		27,526	(68,000)	(13,576)	(54,050)	(57,291)
Actuarial gains/(losses) on defined benefit pension schemes	19	-	76,000	-	76,000	(227,000)
NET MOVEMENT IN FUNDS		27,526	8,000	(13,576)	21,950	(284,291)
RECONCILIATION OF FUNDS:						
Total funds brought forward		126,008	(499,000)	219,295	(153,697)	130,594
TOTAL FUNDS CARRIED FORWARD		153,534	(491,000)	205,719	(131,747)	(153,697)

ST TERESA'S CATHOLIC PRIMARY SCHOOL

**(A Company Limited by Guarantee)
REGISTERED NUMBER: 08111345**

**BALANCE SHEET
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	11		205,719		219,295
CURRENT ASSETS					
Debtors	12	191,861		185,681	
Cash at bank and in hand		209,147		249,995	
			<u>401,008</u>	<u>435,676</u>	
CREDITORS: amounts falling due within one year	13	(76,474)		(138,668)	
NET CURRENT ASSETS			<u>324,534</u>		<u>297,008</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>530,253</u>		<u>516,303</u>
Defined benefit pension scheme liability	19		(662,000)		(670,000)
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>(131,747)</u>		<u>(153,697)</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	14	171,000		171,000	
Restricted fixed asset funds	14	205,719		219,295	
Restricted income funds excluding pension liability		376,719		390,295	
Pension reserve		(662,000)		(670,000)	
Total restricted income funds			<u>(285,281)</u>		<u>(279,705)</u>
Unrestricted income funds	14		<u>153,534</u>		<u>126,008</u>
TOTAL DEFICIT			<u>(131,747)</u>		<u>(153,697)</u>

The financial statements on pages 19 to 38 were approved by the Trustees, and authorised for issue, on 5 December 2017 and are signed on their behalf, by:

Mr SM Clements
Chair of Trustees

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	16	(29,163)	86,493
Cash flows from investing activities:			
Interest received		143	226
Purchase of tangible fixed assets		(11,828)	(24,121)
Net cash used in investing activities		(11,685)	(23,895)
Change in cash and cash equivalents in the year		(40,848)	62,598
Cash and cash equivalents brought forward		249,995	187,397
Cash and cash equivalents carried forward		209,147	249,995

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The Academy's functional and presentational currency is Pounds Sterling.

1.2 Company status

The Academy is a company limited by guarantee. Members are named on page 1. In the event of the Academy being wound up, the liability in respect of the guarantee is limited to £10 per Member of the Academy.

1.3 Fund accounting

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

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

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

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

1.4 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

1.7 Tangible fixed assets and depreciation

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

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

The Academy occupies land and the buildings provided to it by the Diocesan Trustees under a license (also referred to as Church Supplemental Agreement) which contains a two year notice period. Having considered the fact that the Academy occupies the land and buildings by a license that transfers to the Academy no rights or control over the site save that of occupying it at the will of the Diocesan Trustees under the agreement, the Diocesan Trustees have concluded that the value of the land and buildings occupied by the Academy will not be recognised or valued within fixed assets.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	10 years straight line
Office equipment	-	10 - 13 years straight line
Computer equipment	-	10 years straight line

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.9 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a Charitable Company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in 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 costs 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 instruments.

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.14 Pensions (continued)

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

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

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2017. 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	-	37,536	-	37,536	29,933
Notional rent (see note 22)	-	57,000	-	57,000	57,000
Capital grants	-	-	6,453	6,453	72,361
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	94,536	6,453	100,989	159,294
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total 2016</i>	-	86,933	72,361	159,294	
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	

ST TERESA'S CATHOLIC PRIMARY SCHOOL

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	802,733	802,733	799,630
Other DfE / EFA grants	-	76,522	76,522	80,257
	<u>-</u>	<u>879,255</u>	<u>879,255</u>	<u>879,887</u>
Other government grants				
Local Authority grants	-	50,877	50,877	19,124
	<u>-</u>	<u>50,877</u>	<u>50,877</u>	<u>19,124</u>
Other funding				
Catering	24,860	-	24,860	28,324
	<u>24,860</u>	<u>-</u>	<u>24,860</u>	<u>28,324</u>
	<u>24,860</u>	<u>930,132</u>	<u>954,992</u>	<u>927,335</u>
<i>Total 2016</i>	<u><u>28,324</u></u>	<u><u>899,011</u></u>	<u><u>927,335</u></u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Other income	30,376	13,317	43,693	30,018
	<u>30,376</u>	<u>13,317</u>	<u>43,693</u>	
<i>Total 2016</i>	<u><u>14,699</u></u>	<u><u>15,319</u></u>	<u><u>30,018</u></u>	

5. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Education:					
Direct costs	691,477	-	21,869	713,346	722,218
Support costs	141,236	54,885	244,400	440,521	451,946
	<u>832,713</u>	<u>54,885</u>	<u>266,269</u>	<u>1,153,867</u>	<u>1,174,164</u>
<i>Total 2016</i>	<u><u>780,143</u></u>	<u><u>123,123</u></u>	<u><u>270,898</u></u>	<u><u>1,174,164</u></u>	

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NOTES TO THE FINANCIAL STATEMENTS
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6. CHARITABLE ACTIVITIES

	2017 £	2016 £
Direct costs	713,346	722,218
Support costs	440,521	451,946
Total	<u>1,153,867</u>	<u>1,174,164</u>

Analysis of support costs	2017 £	2016 £
Support staff costs	141,236	150,289
Depreciation	25,404	24,622
Technology costs	13,322	8,339
Premises costs	54,885	123,123
Other support costs	195,493	135,095
Governance costs	10,181	10,478
Total	<u>440,521</u>	<u>451,946</u>

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the Academy	25,404	24,622
Auditors' remuneration - audit	4,250	4,250
Auditors' remuneration - other services	4,700	4,500
Governance Internal Audit costs	980	1,920
	<u></u>	<u></u>

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8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	606,203	605,065
Social security costs	44,854	38,871
Operating costs of defined benefit pension schemes	152,135	117,453
	<hr/>	<hr/>
Supply teacher costs	803,192	761,389
	29,521	18,754
	<hr/>	<hr/>
	832,713	780,143
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 No.	2016 No.
Teachers	8	7
Administration and support	33	36
Management	3	4
	<hr/>	<hr/>
	44	47
	<hr/> <hr/>	<hr/> <hr/>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	6	5
Administration and support	17	19
Management	3	4
	<hr/>	<hr/>
	26	28
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 No.	2016 No.
In the band £ 60,001 - £ 70,000	1	0

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for this member of staff amounted to £10,017 (2016: £9,964).

The key management personnel of the Academy comprise the Trustees and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Academy Trust was £254,599 (2016: £248,934).

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FOR THE YEAR ENDED 31 AUGUST 2017**

9. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

M Kelly (Headteacher)

Remuneration £60,000 - £65,000 (2016: £30,000 - £35,000)

Employer's pension contributions paid £10,000 - £15,000 (2016: £5,000 - £10,000)

G Hilton (Staff Trustee)

Remuneration £35,000 - £40,000 (2016: £35,000 - £40,000)

Employer's pension contributions paid £5,000 - £10,000 (2016: £5,000 - £10,000)

During the year ended 31 August 2017, expenses totalling £Nil (2016: £699) were reimbursed or paid directly to trustees (2016: 3 trustees) in relation to out of pocket expenses incurred as part of their roles as staff members.

Other related party transactions involving the Trustees are set out in note 21.

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim, the cost for the year ended 31 August 2017 is included in the total insurance cost.

11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 September 2016	297,332	52,453	349,785
Additions	5,494	6,334	11,828
At 31 August 2017	<u>302,826</u>	<u>58,787</u>	<u>361,613</u>
Depreciation			
At 1 September 2016	102,898	27,592	130,490
Charge for the year	16,588	8,816	25,404
At 31 August 2017	<u>119,486</u>	<u>36,408</u>	<u>155,894</u>
Net book value			
At 31 August 2017	<u>183,340</u>	<u>22,379</u>	<u>205,719</u>
At 31 August 2016	<u>194,434</u>	<u>24,861</u>	<u>219,295</u>

ST TERESA'S CATHOLIC PRIMARY SCHOOL

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12. DEBTORS

	2017 £	2016 £
Due after more than one year		
Other debtors (see note 21)	114,000	114,000
Due within one year		
VAT recoverable	3,857	7,448
Other debtors (see note 21)	57,000	57,000
Prepayments and accrued income	17,004	7,233
	<u>191,861</u>	<u>185,681</u>

13. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	-	19,051
Other taxation and social security	11,544	12,420
Other creditors	12,531	10,038
Accruals and deferred income	52,399	97,159
	<u>76,474</u>	<u>138,668</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	41,040	39,005
Resources deferred during the year	44,734	41,040
Amounts released from previous years	(41,040)	(39,005)
Deferred income at 31 August 2017	<u>44,734</u>	<u>41,040</u>

Incoming resources deferred during the year ended 31 August 2017 relate to the Academy's residential trip, Universal Free School Meals, rates relief and capital grants received in advance of the 2017/18 academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	126,008	55,379	(27,853)	-	-	153,534

Restricted funds

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	802,733	(790,905)	(11,828)	-	-
Other DfE/ESFA grants	-	76,522	(76,522)	-	-	-
Other Government grants	-	50,877	(50,877)	-	-	-
Restricted trip donations	-	20,057	(20,057)	-	-	-
Restricted donations	-	30,796	(30,796)	-	-	-
Donation in kind (see note 22)	171,000	57,000	(57,000)	-	-	171,000
Pension reserve	(670,000)	-	(68,000)	-	76,000	(662,000)
	<u>(499,000)</u>	<u>1,037,985</u>	<u>(1,094,157)</u>	<u>(11,828)</u>	<u>76,000</u>	<u>(491,000)</u>

Restricted fixed asset funds

Restricted fixed asset funds	219,295	-	(25,404)	11,828	-	205,719
Devolved Formula Capital	-	6,453	(6,453)	-	-	-
	<u>219,295</u>	<u>6,453</u>	<u>(31,857)</u>	<u>11,828</u>	<u>-</u>	<u>205,719</u>
Total restricted funds	<u>(279,705)</u>	<u>1,044,438</u>	<u>(1,126,014)</u>	<u>-</u>	<u>76,000</u>	<u>(285,281)</u>
Total of funds	<u><u>(153,697)</u></u>	<u><u>1,099,817</u></u>	<u><u>(1,153,867)</u></u>	<u><u>-</u></u>	<u><u>76,000</u></u>	<u><u>(131,747)</u></u>

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Unrestricted funds	146,798	43,249	(64,039)	-	-	126,008
	<u>146,798</u>	<u>43,249</u>	<u>(64,039)</u>	<u>-</u>	<u>-</u>	<u>126,008</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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14. STATEMENT OF FUNDS (continued)

Restricted funds

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/(losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	-	799,630	(781,950)	(17,680)	-	-
Other DfE/ESFA grants	-	80,257	(80,257)	-	-	-
Other Government grants	-	19,124	(19,124)	-	-	-
Restricted trip donations	-	20,521	(20,521)	-	-	-
Restricted donations	-	24,731	(24,731)	-	-	-
Donation in kind (see note 22)	171,000	57,000	(57,000)	-	-	171,000
Pension reserve	(407,000)	-	(36,000)	-	(227,000)	(670,000)
	<u>(236,000)</u>	<u>1,001,263</u>	<u>(1,019,583)</u>	<u>(17,680)</u>	<u>(227,000)</u>	<u>(499,000)</u>
Restricted fixed asset funds						
Restricted fixed asset funds	219,796	-	(24,622)	24,121	-	219,295
Devolved Formula Capital	-	72,361	(65,920)	(6,441)	-	-
	<u>219,796</u>	<u>72,361</u>	<u>(90,542)</u>	<u>17,680</u>	<u>-</u>	<u>219,295</u>
Total restricted funds	<u>(16,204)</u>	<u>1,073,624</u>	<u>(1,110,125)</u>	<u>-</u>	<u>(227,000)</u>	<u>(279,705)</u>
Total of funds	<u><u>130,594</u></u>	<u><u>1,116,873</u></u>	<u><u>(1,174,164)</u></u>	<u><u>-</u></u>	<u><u>(227,000)</u></u>	<u><u>(153,697)</u></u>

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

Restricted trip donations

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the visits.

Restricted donations

The represents contributions made by parents for uniform and music lessons as well as income donated from the Friends of St Teresa's. The Academy has to use the income received for the sole purpose of purchasing uniform and running music lessons.

Other government grants

This represents other grants received from national and local government bodies received for specific purposes.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Academy on conversion from a state controlled school.

Restricted fixed asset funds

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

14. STATEMENT OF FUNDS (continued)

Transfers

The transfer of funds represents purchase of fixed assets in the year not funded by capital grants.

DfE/ESFA capital grants

The Academy received Devolved Formula Capital allocation to maintain and improve its buildings and facilities. In addition it received funding in the period for the specific purpose of fire safety compliance works.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Donation in kind

This fund represents the rent free occupation of the land and buildings from the Diocese of Brentwood

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	205,719	205,719
Debtors due after more than 1 year	-	114,000	-	114,000
Current assets	153,534	133,474	-	287,008
Creditors due within one year	-	(76,474)	-	(76,474)
Provisions for liabilities and charges	-	(662,000)	-	(662,000)
	<u>153,534</u>	<u>(491,000)</u>	<u>205,719</u>	<u>(131,747)</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	219,295	219,295
Debtors due after more than 1 year	-	114,000	-	114,000
Current assets	126,008	195,668	-	321,676
Creditors due within one year	-	(138,668)	-	(138,668)
Provisions for liabilities and charges	-	(670,000)	-	(670,000)
	<u>126,008</u>	<u>(499,000)</u>	<u>219,295</u>	<u>(153,697)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(54,050)	(57,291)
Adjustment for:		
Depreciation charges	25,404	24,622
Dividends, interest and rents from investments	(143)	(226)
(Increase)/decrease in debtors	(6,180)	66,689
(Decrease)/increase in creditors	(62,194)	16,699
Pension adjustments	68,000	36,000
Net cash (used in)/provided by operating activities	(29,163)	86,493

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	209,147	249,995
Total	209,147	249,995

18. 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.

19. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £12,531 were payable to the schemes at 31 August 2017 (2016 - 10,038) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

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

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

The employer's pension costs paid to TPS in the period amounted to £51,249 (2016 - £52,679).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £63,000 (2016 - £58,000), of which employer's contributions totalled £48,000 (2016 - £44,000) and employees' contributions totalled £15,000 (2016 - £14,000). The agreed contribution rates for future years are 12.3% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Commutation of pensions to lump sums	50.00 %	50.00 %
Inflation assumption (RPI)	3.60 %	3.20 %

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19. PENSION COMMITMENTS (continued)

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

	2017	2016
Retiring today		
Males	22.2	22.9
Females	24.7	25.3
Retiring in 20 years		
Males	24.3	25.2
Females	27.0	27.7

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	(26,000)	(21,000)
Discount rate -0.1%	26,000	22,000
Mortality assumption - 1 year increase	37,000	28,000
Mortality assumption - 1 year decrease	(36,000)	(27,000)
CPI rate +0.1%	22,000	19,000
CPI rate -0.1%	(21,000)	(18,000)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	287,000	243,000
Gilts	27,000	13,000
Corporate bonds	17,000	16,000
Property	43,000	39,000
Cash and other liquid assets	14,000	11,000
Alternative assets	34,000	16,000
Other funds	19,000	17,000
Total market value of assets	441,000	355,000

The actual return on scheme assets was £56,000 (2016 - £45,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	(101,000)	(65,000)
Interest income	8,000	12,000
Interest cost	(23,000)	(27,000)
Total	(116,000)	(80,000)

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**NOTES TO THE FINANCIAL STATEMENTS
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19. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	1,025,000	686,000
Current service cost	101,000	65,000
Interest cost	23,000	27,000
Employee contributions	15,000	14,000
Actuarial (gains)/losses	(54,000)	260,000
Benefits paid	(7,000)	(27,000)
	<hr/>	<hr/>
Closing defined benefit obligation	1,103,000	1,025,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2017 £	2016 £
Opening fair value of scheme assets	355,000	279,000
Interest income	8,000	12,000
Actuarial gains	22,000	33,000
Employer contributions	48,000	44,000
Employee contributions	15,000	14,000
Benefits paid	(7,000)	(27,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	441,000	355,000
	<hr/> <hr/>	<hr/> <hr/>

20. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	498	997
Between 1 and 5 years	-	498
	<hr/>	<hr/>
Total	498	1,495
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. RELATED PARTY TRANSACTIONS

The Academy operates from land and buildings provided rent free by the Diocese of Brentwood. Under an agreement between the Dioceses, the Academy and the Secretary of State the Diocese would be required to give 24 months notice from the year end if it wished to terminate this agreement. No such notice had been given at the year end and the Diocese is therefore committed to providing the land and buildings rent free for a further 36 months from the year end. The Trustees estimate that the cost of renting equivalent buildings would be £57,000 per annum, on this basis a donation from the Diocese of £57,000 is shown in the accounts together with a notional expense of the same amount. In addition, included within debtors is a donation in kind receivable of £171,000 representing the commitment by the Diocese to provide the land and buildings rent free for a further 36 months.

The spouse of a Governor is employed by the Academy on a contract approved by Governors whose remuneration is in line with the standard pay scales for the role undertaken and their employment contract is subject to normal terms and conditions.

There were no other related party transactions during the year ended 31 August 2017.