

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

ST TERESA'S CATHOLIC PRIMARY SCHOOL

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ST TERESA'S CATHOLIC PRIMARY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2018

Members	Mr SM Clements The Right Reverend A Williams The Brentwood Diocesan Trust
Trustees	Mrs M Kelly, Headteacher Mr SM Clements, Chair Mr G Garvey, Foundation Governor Miss G Hilton, Staff Governor Fr TP Lavin, Foundation Governor Mrs E Thrower, Foundation Governor (resigned 9 October 2018) Mr C Wetton, Vice Chair Mr M Dawson, Foundation Governor Mr M Hockly, Foundation Governor Mrs H Baker, Parent Governor Mr L North, Parent Governor (resigned 20 June 2018) Mr W Thomas, Parent Governor (resigned 14 May 2018) Mr P Johnson, Foundation Governor (appointed 1 October 2018) Mr G Fusi, Foundation Governor (appointed 16 October 2018)
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

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees 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 2018. The Trustees 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 220 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 Trust 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 Trustees are covered by indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees 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 Trust 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 Trustees knew to be a breach of trust or a breach of duty or which was committed by the Trustees in reckless disregard, nor will such indemnity extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Trust.

Method of Recruitment and Appointment or Election of Trustees

- Parent Trustees are appointed by election of parents of the pupils attending the School.
- Staff Trustees are appointed by election of the staff employed by the Trust.
- Foundation Trustees are appointed by Brentwood Diocese, one of whom shall be the Parish Priest.
- The Headteacher automatically becomes an ex officio Trustees.
- Further Trustees 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 Trust is constituted as a 4 – 11 school for the period to 31 August 2018.

Policies and Procedures adopted for the induction and training of Governors

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

New Trustees 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 Trustees with particular emphasis on the committee work that they will undertake.

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

Organisational structure

ST TERESA'S CATHOLIC PRIMARY SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

The Board of Trustees, which meets on at least 3 occasions per year, is responsible for the strategic direction. The Board of Trustees 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 Trust; 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 Board of Trustees 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 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 Trust 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 Board of Trustees 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 Trustees and those staff to whom the Trustees 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 Board of Trustees 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 Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Trustees 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 Trust 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 Trust 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 Trustees 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.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and Activities

Objectives and Aims

The Board of Trustees had the following main objectives for the period ended 31 August 2018.

- 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 Trust'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 Trust'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 Trustees 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 Trust has operated in accordance with its funding agreement as a non-charging, non profit organisation throughout the period in question. Pupil admissions to the Trust 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 Trustees measure 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.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

EYFS DATA 2018

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 ELG

	St Teresa's	Essex	National
GLD	86.7	73.8	71.5
APS	39.2	35.2	34.6

There is a 3.4% rise in the percentage of children at a Good Level of Development since 2017 and a 22.2% rise since 2016.

There has been a 1.4 points rise in the APS since 2017 and a 2.3 point rise since 2016

YEAR 1 PHONICS DATA – 2018

Year 1 Phonics (30 pupils):	%	% Essex	% National
Y1 Standard Met	89.7	83.6	82.5
Year 2 Phonics Re Test (4 pupils):	75	60	60

KEY STAGE 1 DATA – 2018

PKF – pre key stage foundations WTS – Working Towards the Standard, EXS – expected Standard, GDS Greater depth

Subject:	% WTS	% EXS +	% GDS
Reading	6.45 In addition one child is working at PKF	90.3 Essex 76.9 National 75.4	32.3 Essex 27.5 National 25.6
Writing	9.67 In addition one child is working at PKF	87.1 Essex 71.4 National 69.9	22.6 Essex 17.8 National 15.9
Mathematics	9.67 In addition one child is working at PKF	87.1 Essex 76.8 National 76.1	22.6 Essex 22.6 National 21.8
Reading, writing and maths combined	12.8 In addition one child is working at PKF	83.9 Essex 66.5 National 65.3	9.7 Essex 12.3 National 11.7

KEY STAGE 2 DATA – 2018

	Achieved standard	Greater Depth	Average scaled score
Reading	100 Essex 76.5 National 75.3	37.5 Essex 28.3 National 28.1	107.8 Essex 105.3 National 105.1
Writing	90.6 Essex 79.4 National 78.3	21.9 Essex 22.3 National 19.8	n/a
Maths	84.4 Essex 75.6 National 75.6	31.3 Essex 23.3 National 23.6	104.9 Essex 104.4 National 104.4
GPS	87.5 Essex 78.1 National 77.7	37.5 Essex 33.9 National 34.4	107.3 Essex 106.2 National 106.2
RWM	84.4 Essex 65.1	15.6 Essex 10.7	n/a

ST TERESA'S CATHOLIC PRIMARY SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

National 64.3

National 9.8

KEY STAGE 2 DATA – 2018

Subject:	% achieved standard	% Essex achieved	% National achieved standard	% higher attainers	% higher attainers Essex	% higher attainers National	Average Scaled score	National average scaled	National average scaled score
Reading	100	73.3	71.5	38.7	25	24.4	109.6	104.4	104.1
Grammar, Punctuation & Spelling	96.8	78.6	76.9	48.4	31.6	30.8	109.1	106.2	106
Writing	87.1	78	76.3	29	20.6	17.7	-	-	-
Maths	96.8	76.4	74.9	38.7	23.2	22.5	108.9	104.4	104.2
Combined reading, writing & maths	83.9	63.1	61.1	25.8	9.9	8.6	-	-	-

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 has met the expected standard in the test. The higher the scaled score the better they did.

Key Performance Indicators

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

As funding is based on pupil numbers this is a key performance indicator. Pupil numbers for 2017/18 were 220 (2016/17: 221).

Another key financial performance indicator is staffing costs as a percentage of total income (excluding capital grants). For 2017/18 this was 76% (2016/17: 76.2%).

Going concern

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

Financial Review

The Trustees believe that the Trust's financial position is adequate in spite of the decrease in general operating reserves from £153,534 to £92,154 in the year. The contingency reserve remains within the range it has occupied for the past several years and is significantly above the level of £50,000 above which Trustees have stated they would like to maintain it.

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the ESFA. For the year ended 31 August 2018 the Trust received £916,412 of GAG and other Government funding (restricted fund in note 3). A high percentage of this funding is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education.

The Trust has received unrestricted income from other sources of £76,376 during the year and has carried a surplus of £92,154 forward which will be used as a contingency to cover increased expenditure or reductions in funding in future years.

Financial Position

The Trust held fund balances at 31 August 2018 of £92,154 all comprising of unrestricted funds. The Trust also had a pension reserve deficit of £595,000.

At 31 August 2018 the net book value of fixed assets was £200,045 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 Trust.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Reserves policy

The Trustees 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. Trustees do not expect this to fall below £50,000.

As the Trust's free reserves (total funds less the amount held in fixed assets and restricted funds) had a value of £92,154 at the year end, the Trustees 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 Trust is recognising a significant pension fund deficit of £595,000. 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.

Financial and Risk Management Objectives and Policies

Principal Risks and Uncertainties

The Trustees maintain a risk register identifying the major risks to which the Trust 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 Trustees at each Finance Committee meeting. The principal risks facing the Trust are outlined below; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees 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 Trust 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 Trustees assess the principal risks and uncertainties facing the Trust as follows:

- The Trust 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 Trustees 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 Trust would lie in its failure to retain key staff – appointment of new staff to key positions requires additional resources and support to ensure smooth transition.
- Safeguarding and child protection - the Trustees 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 Trust 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 Trust, the Trustees intend to continue to maintain tight budgetary controls and monitoring, and to identify and address any emerging financial risks.

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

Fundraising

The Trust did not hold fundraising events during the year. Fundraising for the Trust is carried out by The Friends of St Teresa's.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

Plans for Future Periods

In accordance with Brentwood Diocesan policy it is expected that, within the next few years, the Trust will become a part of a Multi Academy Trust (MAT) composed of a number of local Catholic schools. This would constitute a major change and the Trustees are involved in closely monitoring developments relating to the formation of this MAT in order to ensure the continued flourishing of St Teresa's School under any such change.

The Trustees 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 Trustees 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.

Provision of Information to Auditors

Each of the persons who are Trustees 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, incorporating a Strategic Report, was approved by the Board of Trustees, on 4 December 2018 and signed on its behalf by:

Mr SM Clements
Chair of Trustees

ST TERESA'S CATHOLIC PRIMARY SCHOOL

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings was follows:

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

We propose to carry out a Board Self-Evaluation using the form produced by Essex County Council. The results of the Self-Evaluation exercise are proposed to be presented to the Board of Trustees Meeting in February 2019.

The Finance, Premises and Personnel Committee is a sub-committee of the Board of Trustees. 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	3	3
Mr C Wetton	3	3
Mr G Garvey	1	3
Mr M Dawson	3	3
Mr M Hockly	3	3
Mrs M Kelly	3	3

ST TERESA'S CATHOLIC PRIMARY SCHOOL

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

The Trustees have been diligent in managing funds as efficiently and effectively as possible for the benefit of the pupils. Trustees have ensured that tendering procedures are followed in line with our financial regulations and that best value is sought. Funding for significant works on hot water systems which were necessary to provide protection against legionella disease has been obtained. An initial bid, following a tendering process, had been unsuccessful the previous year. A second bid attempt for funding was successful and the work is being carried out to the price originally quoted for the initial tender process. A new photocopier lease has been negotiated at a lower cost than the previous lease. Last year we reduced costs by reducing the frequency of Internal Audit visits to one per year with a subset of topic areas being assessed in each visit. Following evaluation of the success of this approach in the first year, we are continuing with this schedule thereby achieving ongoing savings.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Teresa's Catholic Primary School for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- 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 Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Essex County Council as Internal Auditor.

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

- Governance and Financial Reporting.
- Income Procedures.
- Expenditure Procedures.

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

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

ST TERESA'S CATHOLIC PRIMARY SCHOOL

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

The checks are carried out by Essex County Council. At the meeting on 27 Sep 2016, the Finance, Premises and Personnel Committee decided that henceforth it would be adequate to have a single bespoke visit per year rather than three per year as previously because very few issues were being identified by each visit. The bespoke visit for 2017-18 was held on 10 May 2018.

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 Auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust 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 ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 4 December 2018 and signed on their behalf, by:

Mr SM Clements
Chair of Trustees

Mrs M Kelly
Accounting Officer

ST TERESA'S CATHOLIC PRIMARY SCHOOL

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 2017.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2017.

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: 4 December 2018

ST TERESA'S CATHOLIC PRIMARY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

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 & 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 4 December 2018 and signed on its behalf by:

Mr SM Clements
Chair of Trustees

ST TERESA'S CATHOLIC PRIMARY SCHOOL

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 "Trust") for the year ended 31 August 2018 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 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 Trust's affairs as at 31 August 2018 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 2017 to 2018 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 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, 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 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 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.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

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

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), for which the financial statements have been prepared is consistent with the financial statements; and
- the Strategic Report has 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law 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 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 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

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

USE OF OUR REPORT

This Report is made solely to the 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 Trust'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 Trust and the Trust's Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

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
11 December 2018

ST TERESA'S CATHOLIC PRIMARY SCHOOL

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 28 August 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 Trust'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 Trust, 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

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 2017 to 31 August 2018 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

11 December 2018

ST TERESA'S CATHOLIC PRIMARY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	93,677	188,419	282,096	100,989
Charitable activities	3	27,122	916,412	-	943,534	954,992
Other trading activities	4	49,149	10,334	-	59,483	43,693
Investments		105	-	-	105	143
TOTAL INCOME		76,376	1,020,423	188,419	1,285,218	1,099,817
EXPENDITURE ON:						
Charitable activities		137,756	1,078,505	217,011	1,433,272	1,153,867
TOTAL EXPENDITURE	5	137,756	1,078,505	217,011	1,433,272	1,153,867
NET EXPENDITURE BEFORE TRANSFERS						
Transfers between funds	14	(61,380)	(58,082)	(28,592)	(148,054)	(54,050)
		-	(22,918)	22,918	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(61,380)	(81,000)	(5,674)	(148,054)	(54,050)
Actuarial gains on defined benefit pension schemes	19	-	148,000	-	148,000	76,000
NET MOVEMENT IN FUNDS		(61,380)	67,000	(5,674)	(54)	21,950
RECONCILIATION OF FUNDS:						
Total funds brought forward		153,534	(491,000)	205,719	(131,747)	(153,697)
TOTAL FUNDS CARRIED FORWARD		92,154	(424,000)	200,045	(131,801)	(131,747)

ST TERESA'S CATHOLIC PRIMARY SCHOOL
REGISTERED NUMBER: 08111345

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	11		200,045		205,719
CURRENT ASSETS					
Debtors	12	212,936		191,861	
Cash at bank and in hand		210,810		209,147	
		<u>423,746</u>		<u>401,008</u>	
CREDITORS: amounts falling due within one year	13	(160,592)		(76,474)	
		<u>(160,592)</u>		<u>(76,474)</u>	
NET CURRENT ASSETS			<u>263,154</u>		<u>324,534</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>463,199</u>		<u>530,253</u>
Defined benefit pension scheme liability	19		(595,000)		(662,000)
			<u>(595,000)</u>		<u>(662,000)</u>
NET LIABILITIES INCLUDING PENSION SCHEME LIABILITIES			<u>(131,801)</u>		<u>(131,747)</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	14	171,000		171,000	
Restricted fixed asset funds	14	200,045		205,719	
		<u>371,045</u>		<u>376,719</u>	
Restricted income funds excluding pension liability		371,045		376,719	
Pension reserve		(595,000)		(662,000)	
		<u>(595,000)</u>		<u>(662,000)</u>	
Total restricted income funds			<u>(223,955)</u>		<u>(285,281)</u>
Unrestricted income funds	14		92,154		153,534
			<u>92,154</u>		<u>153,534</u>
TOTAL DEFICIT			<u>(131,801)</u>		<u>(131,747)</u>

The financial statements on pages 19 to 38 were approved by the Trustees, and authorised for issue, on 4 December 2018 and are signed on their behalf, by:

Mr SM Clements
Chair of Trustees

ST TERESA'S CATHOLIC PRIMARY SCHOOL

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	16	(166,993)	(29,163)
Cash flows from investing activities:			
Interest received		105	143
Purchase of tangible fixed assets		(19,868)	(11,828)
Capital grants from DfE Group		188,419	-
Net cash provided by/(used in) investing activities		<u>168,656</u>	<u>(11,685)</u>
Change in cash and cash equivalents in the year		1,663	(40,848)
Cash and cash equivalents brought forward		209,147	249,995
Cash and cash equivalents carried forward		<u><u>210,810</u></u>	<u><u>209,147</u></u>

ST TERESA'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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 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 2017 to 2018 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 Trust's functional and presentational currency is Pounds Sterling.

1.2 Company status

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

1.3 Fund accounting

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

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 Department for Education Group.

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

1.4 Income

All income is recognised once the Trust 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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 Trust's educational operations, including support costs and those costs relating to the governance of the 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 Trust 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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 Trust 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 Trust occupies the land and buildings by a license that transfers to the Trust 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 Trust will not be recognised or valued within fixed assets.

Capital improvements to Diocesan owned property are recognised as expenditure.

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:

Furniture and fixtures	-	10 years straight line
Office equipment	-	10 - 13 years straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

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 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 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.

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 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. 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 Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 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 Trust 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 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. 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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.14 Pensions (continued)

The LGPS is a funded scheme and the assets are held separately from those of the 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 Trustees 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 2018. 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 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	36,677	-	36,677	37,536
Notional rent (see note 21)	-	57,000	-	57,000	57,000
Capital grants	-	-	188,419	188,419	6,453
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	93,677	188,419	282,096	100,989
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2017	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	94,536	6,453	100,989	
	<hr/>	<hr/>	<hr/>	<hr/>	

ST TERESA'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	798,172	798,172	802,733
Other DfE / ESFA grants	-	86,654	86,654	76,522
	-	884,826	884,826	879,255
Other government grants				
Local Authority grants	-	31,586	31,586	50,877
	-	31,586	31,586	50,877
Other funding				
Catering	27,122	-	27,122	24,860
	27,122	-	27,122	24,860
Total 2018	27,122	916,412	943,534	954,992
Total 2017	24,860	930,132	954,992	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other income	49,149	10,334	59,483	43,693
Total 2017	30,376	13,317	43,693	

5. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Education:					
Direct costs	640,487	-	102,594	743,081	713,346
Support costs	257,431	274,825	157,935	690,191	440,521
Total 2018	897,918	274,825	260,529	1,433,272	1,153,867
Total 2017	832,713	54,885	266,269	1,153,867	

In 2017, of total expenditure, £137,756 was to unrestricted funds, £1,078,505 was to restricted funds and £217,011 was to restricted fixed asset funds.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

6. CHARITABLE ACTIVITIES

	2018 £	2017 £
Direct costs	743,081	713,346
Support costs	690,191	440,521
	<hr/>	<hr/>
Total	1,433,272	1,153,867
	<hr/> <hr/>	<hr/> <hr/>

Analysis of support costs	2018 £	2017 £
Support staff costs	257,431	141,236
Depreciation	25,542	25,404
Technology costs	11,930	13,322
Premises costs	249,283	54,885
Other support costs	134,392	195,493
Governance costs	11,613	10,181
	<hr/>	<hr/>
Total	690,191	440,521
	<hr/> <hr/>	<hr/> <hr/>

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the Trust	25,542	25,404
Auditors' remuneration - audit	4,370	4,250
Auditors' remuneration - other services	4,845	4,700
Governance Internal Audit costs	630	980
	<hr/> <hr/>	<hr/> <hr/>

ST TERESA'S CATHOLIC PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

8. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	675,739	606,203
Social security costs	48,219	44,854
Operating costs of defined benefit pension schemes	173,612	152,135
	<hr/>	<hr/>
Agency staff costs	897,570	803,192
	348	29,521
	<hr/>	<hr/>
	897,918	832,713
	<hr/> <hr/>	<hr/> <hr/>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	8	8
Administration and support	33	33
Management	5	3
	<hr/>	<hr/>
	46	44
	<hr/> <hr/>	<hr/> <hr/>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	8	6
Administration and support	18	17
Management	5	3
	<hr/>	<hr/>
	31	26
	<hr/> <hr/>	<hr/> <hr/>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £ 60,001 - £ 70,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for this member of staff amounted to £10,772 (2017: £10,017).

d. Key management personnel

The key management personnel of the Trust 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 Trust was £304,047 (2017: £280,059).

Included in the total remuneration above are pension contributions of £36,449 (2017: £32,434) and national insurance contributions of £24,084 (2017: £22,063)

ST TERESA'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

9. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. 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 £65,000 - £70,000 (2017: £60,000 - £65,000)

Employer's pension contributions paid £10,000 - £15,000 (2017: £10,000 - £15,000)

G Hilton (Staff Trustee)

Remuneration £35,000 - £40,000 (2017: £35,000 - £40,000)

Employer's pension contributions paid £5,000 - £10,000 (2017: £5,000 - £10,000)

During the year ended 31 August 2018, expenses totalling £1,531 (2017: £Nil) were reimbursed or paid directly to one Trustee (2017: Nil) in relation to out of pocket expenses incurred as part of their role as a staff member.

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 Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim, the cost for the year ended 31 August 2018 is included in the total insurance cost.

11. TANGIBLE FIXED ASSETS

	Furniture and fixtures £	Computer equipment £	Total £
Cost			
At 1 September 2017	302,826	58,787	361,613
Additions	6,393	13,475	19,868
At 31 August 2018	<u>309,219</u>	<u>72,262</u>	<u>381,481</u>
Depreciation			
At 1 September 2017	119,486	36,408	155,894
Charge for the year	16,057	9,485	25,542
At 31 August 2018	<u>135,543</u>	<u>45,893</u>	<u>181,436</u>
Net book value			
At 31 August 2018	<u>173,676</u>	<u>26,369</u>	<u>200,045</u>
At 31 August 2017	<u>183,340</u>	<u>22,379</u>	<u>205,719</u>

ST TERESA'S CATHOLIC PRIMARY SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

12. DEBTORS

	2018 £	2017 £
Due after more than one year		
Other debtors (see note 21)	114,000	114,000
Due within one year		
VAT recoverable	17,544	3,857
Other debtors (see note 21)	57,000	57,000
Prepayments and accrued income	24,392	17,004
	212,936	191,861
	212,936	191,861

13. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	74,047	-
Other taxation and social security	12,609	11,544
Other creditors	13,251	12,531
Accruals and deferred income	60,685	52,399
	160,592	76,474
	160,592	76,474

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	44,734	41,040
Resources deferred during the year	46,342	44,734
Amounts released from previous years	(44,734)	(41,040)
	46,342	44,734
	46,342	44,734

Incoming resources deferred during the year ended 31 August 2018 relate to the School's residential trip, Universal Free School Meals, rates relief and capital grants received in advance of the 2018/19 academic year.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

14. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	153,534	76,376	(137,756)	-	-	92,154
Restricted funds						
General Annual Grant (GAG)	-	798,172	(775,254)	(22,918)	-	-
Other DfE/ESFA grants	-	86,654	(86,654)	-	-	-
Other Government grants	-	31,586	(31,586)	-	-	-
Restricted trip donations	-	27,441	(27,441)	-	-	-
Restricted donations	-	19,570	(19,570)	-	-	-
Donation in kind (see note 21)	171,000	57,000	(57,000)	-	-	171,000
Pension reserve	(662,000)	-	(81,000)	-	148,000	(595,000)
	(491,000)	1,020,423	(1,078,505)	(22,918)	148,000	(424,000)
Restricted fixed asset funds						
Restricted fixed asset funds	205,719	-	(25,542)	19,868	-	200,045
DfE/ESFA capital grants	-	188,419	(191,469)	3,050	-	-
	205,719	188,419	(217,011)	22,918	-	200,045
Total restricted funds	(285,281)	1,208,842	(1,295,516)	-	148,000	(223,955)
Total of funds	(131,747)	1,285,218	(1,433,272)	-	148,000	(131,801)

ST TERESA'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

14. STATEMENT OF FUNDS (continued)

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 School 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 Trust 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 Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust 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.

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.

Other DfE/ESFA

This represents various grants received from the DfE/ESFA that do not form part of the General Annual Grant for the provision of specific services to pupils of the Trust.

Donation in kind

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

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

14. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Unrestricted funds	126,008	55,379	(27,853)	-	-	153,534
Restricted funds						
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 21)	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>

ST TERESA'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	200,045	200,045
Debtors due after more than 1 year	-	114,000	-	114,000
Current assets	92,154	217,592	-	309,746
Creditors due within one year	-	(160,592)	-	(160,592)
Provisions for liabilities and charges	-	(595,000)	-	(595,000)
	<u>92,154</u>	<u>(424,000)</u>	<u>200,045</u>	<u>(131,801)</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	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>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(148,054)	(54,050)
Adjustment for:		
Depreciation charges	25,542	25,404
Interest	(105)	(143)
Increase in debtors	(21,075)	(6,180)
Increase/(decrease) in creditors	84,118	(62,194)
Capital grants from DfE and other capital income	(188,419)	-
Pension adjustments	81,000	68,000
Net cash used in operating activities	<u>(166,993)</u>	<u>(29,163)</u>

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	210,810	209,147
Total	<u>210,810</u>	<u>209,147</u>

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.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

19. PENSION COMMITMENTS

The Trust'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 £13,251 were payable to the schemes at 31 August 2018 (2017 - £12,531) 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.

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; 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%.

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 £ 57,446 (2017 - £51,249).

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 an unfunded multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £69,000 (2017 - £63,000), of which employer's contributions totalled £53,000 (2017 - £48,000) and employees' contributions totalled £16,000 (2017 - £15,000). The agreed contribution rates for future years are 12.3% for employers and 5.5-12.5% for employees.

ST TERESA'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. PENSION COMMITMENTS (continued)

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:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Commutation of pensions to lump sums	50.00 %	50.00 %
Inflation assumption (RPI)	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

The sensitivity analysis detailed below would increase/ (decrease) the closing benefit obligation in the following way:

Sensitivity analysis	At 31 August	At 31 August
	2018	2017
	£	£
Discount rate +0.1%	(26,000)	(26,000)
Discount rate -0.1%	27,000	26,000
Mortality assumption - 1 year increase	38,000	37,000
Mortality assumption - 1 year decrease	(36,000)	(36,000)
CPI rate +0.1%	24,000	22,000
CPI rate -0.1%	(23,000)	(21,000)

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

	Fair value at	Fair value at
	31 August	31 August
	2018	2017
	£	£
Equities	340,000	287,000
Gilts	28,000	27,000
Corporate bonds	31,000	17,000
Property	47,000	43,000
Cash and other liquid assets	18,000	14,000
Alternative assets	48,000	34,000
Other funds	20,000	19,000
Total market value of assets	<u>532,000</u>	<u>441,000</u>

The actual return on scheme assets was £29,000 (2017 - £56,000).

ST TERESA'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Current service cost	(117,000)	(101,000)
Interest income	12,000	8,000
Interest cost	(29,000)	(23,000)
	<u> </u>	<u> </u>
Total	<u><u>(134,000)</u></u>	<u><u>(116,000)</u></u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,103,000	1,025,000
Current service cost	117,000	101,000
Interest cost	29,000	23,000
Employee contributions	16,000	15,000
Actuarial gains	(131,000)	(54,000)
Benefits paid	(7,000)	(7,000)
	<u> </u>	<u> </u>
Closing defined benefit obligation	<u><u>1,127,000</u></u>	<u><u>1,103,000</u></u>

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

	2018 £	2017 £
Opening fair value of scheme assets	441,000	355,000
Interest income	12,000	8,000
Actuarial gains	17,000	22,000
Employer contributions	53,000	48,000
Employee contributions	16,000	15,000
Benefits paid	(7,000)	(7,000)
	<u> </u>	<u> </u>
Closing fair value of scheme assets	<u><u>532,000</u></u>	<u><u>441,000</u></u>

20. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	980	498
Between 1 and 5 years	1,470	-
	<u> </u>	<u> </u>
Total	<u><u>2,450</u></u>	<u><u>498</u></u>

ST TERESA'S CATHOLIC PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

21. RELATED PARTY TRANSACTIONS

The Trust operates from land and buildings provided rent free by the Diocese of Brentwood. Under an agreement between the Dioceses, the Trust 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.

During the period the Trust incurred expenditure of £3,488 (2017 - £Nil) in relation to educational support services from the The Brentwood Roman Catholic Diocesan Trust. Right Reverend A Williams, a member of St Teresa's Catholic Primary School, is a Director of the Sole Trustee of The Brentwood Roman Catholic Diocesan Trust. At the period end no balance was due to The Brentwood Roman Catholic Diocesan Trust. Right Reverend A Williams is entitled to exercise 10% of the voting power of The Brentwood Roman Catholic Diocesan Trust and has no financial or profit share entitlement, so transactions with The Brentwood Roman Catholic Diocesan Trust are not subject to the 'at cost' clauses set out in the Academies Financial Handbook.

The spouse of a Trustee is employed by the Trust on a contract approved by Trustees 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 2018.