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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Members**

Jenefer Snelson (resigned 1 November 2015)  
Rev Peter Knight  
Claire Davies  
Ian Hopwood  
Diane Sheldon

**Governors**

Jenefer Snelson, Chair of Governors (resigned 4 November 2015)  
Rev Peter Knight, Director Governor<sup>1</sup>  
Claire Davies, Headteacher & Accounting Officer<sup>2</sup>  
Glyn Stacey, Director Governor (resigned 22 July 2016)<sup>1,2</sup>  
Helen Yorke, Director Governor & Chair  
Carol Nash, Director Governor<sup>3</sup>  
Fiona Cullerne, Deputy Headteacher & Director Governor<sup>2</sup>  
Wendy Bevan, Director Governor & Chair (resigned 16 May 2016)<sup>1,2,3</sup>  
Alison Sims, Director Governor<sup>1,3</sup>  
Matthew Day, Director Governor  
Martha Worthington, Director Governor & Staff Governor  
Clare Bookham (appointed 5 September 2016)  
Hannah Kent (appointed 5 September 2016)  
Timothy Silk (appointed 18 November 2015, resigned 6 October 2016)  
Jan Oliff, Director Governor (appointed 3 February 2016)

<sup>1</sup> Pay Committee

<sup>2</sup> Resources Committee

<sup>3</sup> Teaching & Learning Committee

**Company registered number**

07704001

**Company name**

St. Matthias Church of England Primary Academy

**Principal and registered office**

Cromwell Road, Malvern, Worcestershire, WR14 1NA

**Headteacher**

Claire Davies

**Senior management team**

Claire Davies, Head  
Mrs Virginia Beale, Deputy Head  
Mrs Fiona Cullerne, Deputy Head

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Advisers (continued)**

**Independent auditors**

Randall & Payne LLP, Chargrove House, Shurdington Road, Cheltenham, Gloucestershire, GL51 4GA

**Bankers**

Lloyds Bank Plc, 48 Belle Vue Terrace, Malvern, Worcestershire, WR14 4QG

**Solicitors**

Harrison Clarke Rickerbys LLP, Ellenborough House, Wellington Street, Cheltenham, Gloucestershire, GL50 1YD

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
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**GOVERNORS' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Governors' report, and a Directors' report under company law.

- The trust operates an academy for pupils aged 3 to 11, serving a catchment area in and around Malvern. It has a pupil capacity of 210 (Years R-6) and had a roll of 200 in the school census January 2016. The school has an established Nursery which runs each morning and provides afternoon Pre-School sessions for our Rising Threes. Nursery pupils are able to attend the afternoon sessions which provides an option of full day care for our families.
- The school runs a before and after school club which provides term time wrap around care from 7.45am-6pm daily for all families from our Nursery to Year 6.
- The number on role (Years R-6) is 229 / 210 (January 2016). This is an increase from the official figure of 193 from the January 2012 census. There are currently 18 pupils attending our Nursery / Pre-School.
- Most pupils are from White British backgrounds. Data shows that pupils learning English as an additional language are making satisfactory to good progress.

	NOR	GIRLS	BOYS	SEND	EAL	PUPIL PREMIUM	STABILITY
St. Matthias	230	52%	48%	17.3%	1.8%	43%	74.1%
National	269	51%	49%	13%	19.5%	26%	85.9%

- St. Matthias was judged as Good by Ofsted in July 2012 and February 2014.
- The SIAS inspection in November 2012 judged the St. Matthias to be an Outstanding Church School.
- The percentage of children currently eligible for Free School Meals in the last academic year was 43.1%. This is significantly more than the national average of 26.6%.
- The percentage of children entitled to the receipt of Free School Meals has risen steeply from 26.5% in 2010 to the current figure of 43.1%. This increase is greater than the increase nationally over the same period of time.
- The proportion of children supported by the pupil premium is above the national average.
- Children enter with very low starting points. The percentage supported by the Special Educational Needs and Disabilities Code of Practice is above average. A significant number of these children have Speech, Language and Communication needs, as well as moderate learning difficulties. Our Nursery teacher has a specialism in Speech and Language and is Early Years SENCo. This enables very early identification as well as high quality provision personalised for these individuals. In addition, the school employs a specialist Speech and Language Therapist for one afternoon a week to support specific children, train TAs to provide relevant support, provide training to teaching staff and liaise with parents.
- The curriculum is specifically designed to encourage motivation and a good work ethic in our children, as well as broaden experience, ensure equity and promote British Values.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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- The number of children entering and leaving the school in year groups other than at normal times is higher than normal. From September 2013 to January 2016 the number of children arriving or leaving as a percentage of the whole school population is 42%. This continues to present some challenges regarding the closing of the attainment gap.
- The school is a strategic partner of the Rivers Teaching School Alliance.
- Two members of staff are recognised as Specialist Leaders of Education and actively support good practice in other schools through the Teaching School Alliance.
- St. Matthias is committed to working collaboratively with schools in our local area and plays an active role in PIMS (Partnership in Malvern Schools), the PATH group (7 local Malvern Schools) and SLOTHS (Senior Leaders other than Heads in Malvern).

Since the Academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Structure, governance and management**

**CONSTITUTION**

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Governors of St. Matthias Church of England Primary Academy are also the directors of the charitable company for the purpose of company law.

The charitable company is known as St. Matthias CE Primary Academy.

Details of the Governors who served during the year are included in the Reference and administrative details on page 1.

**MEMBERS' LIABILITY**

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

**METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS**

The Governing Body comprises 5 Members, 1 of which is appointed each by The Worcester Diocesan Academies Trust and the Parochial Church Council. Remaining Members comprise the Chair of the Governing Body, the Head of St. Matthias CE Primary Academy and the Incumbent of the local parish by virtue of their position. These members are also Governors.

The articles allow that up to 5 Governors may be appointed by The Worcester Diocesan Academies Trust and 4 by the Parochial Church Council. The members may appoint up to 3 staff Governors, there should be 3 Parent Governors elected by the parents of children at the Academy, and there may be additional Governors who are appointed by the Secretary of State. There may be up to 2 co-opted Governors, who can be appointed with the consent of the Diocesan Board of Education. In addition the Governors may consult advisors to provide a specific skill set which supports the Governing Body. Governors actively seek to recruit new Governors as and when a position becomes available. For Parent Governors this includes publishing an article in the school's weekly newsletter and sending home information and ballot papers to each family. The Church and / or the Diocese is approached for new Church Governors. Governor vacancies are also included on the school website.

**POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS**

Training and induction for Governors will depend on their prior experience and/or knowledge. Most induction is carried out "in house", but external trainers may be brought in, or Governors may attend external training provision as appropriate. All new Governors are expected to attend training run by the Local Authority. Governors are provided with copies of all the documents that they will need to undertake their role.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL**

In determining pay and remuneration for key management personnel, the academy follows national mandatory agreements on pay and conditions of service for those staff, as detailed in the academy Pay Policy. This policy aims to;

- maximise the quality of teaching and learning at the academy
- support the recruitment and retention of a high quality teacher workforce
- enable the academy to recognise and reward teachers appropriately for their contribution to the academy
- help to ensure that decisions on pay are managed in a fair, just and transparent way

For St. Matthias CE Primary Academy, key management personnel include the members of the Trust, the Governors who make up the Governing Body and the Senior Leadership Team. However, with the Exception of the Headteacher, the Deputy Headteacher and the teacher Governor, no member of the Trustees or Governors receives a salary from the school or any remuneration for services supplied.

The Governing Body reviews its pay policy each year in order to ensure that the policy continues to comply with the law and promotes good personnel practice and in particular to take account of pay awards, changes in national agreements governing pay, the academy school's development plan and the academy school's budget.

The salaries of the Headteacher, Deputy Headteacher(s) and any Assistant Headteacher or Advanced Skills Teacher are reviewed annually. The individual academy school range (ISR) reflects the responsibilities of the job in addition to the size of the academy school, and salaries of Headteachers at comparable size schools.

- The Governing Body ensures that performance-based progression awards reflect individual performance. It also ensures that objective-setting is rigorous and that the school's pay policy provides a clear link between levels of achievement and progression.
- The pay committee reviews the Headteacher's pay in accordance with the School Teachers' Pay and Conditions Document and awards up to two performance points having regard to the results of the most recent appraisal carried out in accordance with the Appraisal Regulations 2012 and any recommendation on pay progression in the Headteacher's most recent appraisal report.
- The pay committee reviews the Deputy/Assistant Headteacher's pay in accordance with the School Teachers' Pay and Conditions Document awards up to two performance points having regard to the results of the most recent appraisal carried out in accordance with the Appraisal Regulations 2012.

The Governing Body determines the pay ranges of the Deputy Headteacher(s) and any Assistant Headteacher(s) and Advanced Skills Teacher(s) in relation to the duties and responsibilities of those teachers. The Governing Body can review the pay ranges at any time if they consider it necessary to retain a Deputy or Assistant Headteacher.

The annual determination of salaries is conducted by the appropriate committee having regard to the results of the most recent appraisal carried out in accordance with the academy school's performance management policy and reported to the full Governing Body.

If the Headteacher, Deputy Headteacher(s) and any Assistant Headteacher(s) have additional responsibilities or change their responsibilities the committee will consider whether there have been corresponding additions to the duties and responsibilities of other staff in the academy school.



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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**ORGANISATIONAL STRUCTURE**

The day to day running of the Academy is delegated to the Senior Leadership Team (SLT), led by the Headteacher, Mrs Claire Davies. These senior leaders manage the academy at an executive level, implementing the policies agreed by the trustees and reporting back to them on progress. The Headteacher and other key senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The Headteacher fulfils the role of Accounting Officer.

The full Governing Body meets formally at least six times per year. Discussions are held and decisions are made or ratified as appropriate. During the year ending on 31st August 2016 there were 2 committees supporting the full Governing Body: Resource and Audit (with responsibility for Finance, Staffing, Premises and Resources) and Pay (with responsibility for the implementation of performance related pay and the Headteacher's appraisal). Both committees provided the opportunity for detailed discussion and policy development. Interim decisions were reached at committee for ratification at full Governing Body meetings. The committee structure was reviewed during 2015/16 to ensure that the structure continues to effectively support the growth of the school.

**CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

St. Matthias is committed to establishing and maintaining collaborative partnerships with other local academies. Over the last year, this has included collaborative working with schools within Malvern (PIMS) and the PATH core group for school improvement purposes. St. Matthias CE Primary School is also an associate member of the Rivers Teaching School Alliance.

During the period the Academy did not have any connected organisations. There were some related party relationships which are acknowledged at the Governors' meetings through the pecuniary interest forms, and any financial transactions are disclosed in the notes to the accounts.

In addition, St. Matthias continues to work closely with local schools to embed a programme to support the emotional health and well-being of vulnerable pupils.

St. Matthias will continue to seek effective partnerships which will support and enhance the principal activities of the Academy.

**GOVERNORS' INDEMNITIES**

The Academy provides indemnity insurance to cover the liability of governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Objectives and Activities**

**OBJECTS AND AIMS**




The principle aim of the Charitable Company is the operation of St. Matthias CE Primary Academy to provide education for pupils of different abilities from the ages of 3 to 11 (to include the Nursery provision).

The school aims are as follows;

**ASPIRE, BELIEVE, ACHIEVE**

In the spirit of its Christian foundation, St. Matthias Church of England Primary School aims to provide the optimum environment for the intellectual, emotional, physical, social and spiritual growth of every pupil in its care.

Our school aims are driven by a powerful ethos which aspires to be fully inclusive, treat everyone equally and strive for excellence. As well as delivering a first-class education, it is also our desire to build an interconnected community, recognising that educational needs do not exist in isolation from the needs of the whole person.

<b>ASPIRE</b>	 <p>To awaken and nurture a love of learning that will last a lifetime and provide all with skills to pursue learning - independently and collaboratively</p> <p>To support our pupils in developing a growth mindset and to recognise the value of hard work and persistent effort when reaching for our goals</p> <p>To help learners appreciate human achievements and aspirations and to believe in their own potential to achieve likewise</p> <p>To create a rich, happy, stimulating, caring learning environment where risk taking and challenge is encouraged</p> <p>To promote a feeling of pride and confidence in learners' identities; as individuals, as members of our academy, as part of the local community and as citizens of the world</p>
<b>BELIEVE</b>	<p>To provide opportunities for all our learners to grow together intellectually, emotionally, in understanding, faith, cultural awareness and spiritual understanding</p> <p>To encourage all learners to develop their own interests, passions, enthusiasms, creativity and individuality</p> <p>To help learners to understand and care about the world in which they live, and to believe in their ability and responsibility to change that world to make it better</p> <p>To empower learners to develop a strong sense of right and wrong, good and bad, equality and justice - and the inner strength to act according to these values</p> <p>To equip our pupils with a clear understanding of and respect for their rights and the rights of others</p> <p>To foster respect, tolerance and love for others, regardless of race, gender, religion or difference, within a framework of equality of opportunity and fairness</p> 
<b>ACHIEVE</b>	 <p>To enable everyone to reach their personal best, academically and in other fields such as sport, arts and culture</p> <p>To encourage all learners to achieve through fully nurturing their own interests, passions, enthusiasms, creativity and individuality</p> <p>To provide all learners with the skills and understanding to live a healthy, successful life, physically, emotionally and spiritually</p> <p>To empower our children to love learning, seek challenges, value effort and persist in the face of obstacles</p> <p>To ensure learners are effective communicators, able to negotiate and resolve problems fairly</p> <p>To ensure all our students are fully equipped for their next steps in education and their personal / professional futures</p>

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**OBJECTIVES, STRATEGIES AND ACTIVITIES**

The key priorities for development during the academic year 2015-2016 were as follows;

<b>Leadership and Management</b>	<ul style="list-style-type: none"> <li>To fully embed our new curriculum</li> <li>To establish effective partnerships to secure continued, robust school improvement</li> <li>To embed the recent changes required in the SEN Code of Practice for 2014 and ensure procedures for supporting SEN children are robust and effective</li> <li>To further develop the capacity of Middle Leaders to drive up standards in their particular area</li> <li>To ensure processes for embedding and fully implementing strategic plans, including adaptations when changes in staff occur, are robust to ensure a consistently high level of teaching and learning is maintained for the future</li> <li>To develop processes whereby Governors are able to hold the school to account and gather evidence to check out for themselves information passed on by senior leaders</li> </ul>
<b>Quality of Teaching, Learning and Assessment</b>	<ul style="list-style-type: none"> <li>To embed new procedures in assessment and ensure school assessment systems are effective and robust in supporting increased learning outcomes</li> <li>To raise the aspirations / expectations and challenge for all children so that pupils aspire to complete work set to a high standard</li> <li>To evaluate and strengthen provision in Humanities</li> <li>To develop reasoning and thinking skills across the whole curriculum so pupils develop greater independence and autonomy in their learning</li> </ul>
<b>Personal Development, Behaviour and Welfare</b>	<ul style="list-style-type: none"> <li>To create an exceptional learning climate for all</li> <li>Increase curriculum opportunities which enable pupils to reflect on and appreciate other cultures</li> <li>To develop our Values programme to promote children's rights and put them at the heart of the school's practice and ethos</li> </ul>
<b>Outcomes for Children</b>	<ul style="list-style-type: none"> <li>To increase the percentage of pupils at age related levels or above in Writing, Reading and Maths to meet national targets at the end of each year</li> <li>Improve attainment in Writing by the end of KS1 and KS2</li> <li>To accelerate rates of progress and improve levels of achievement in Reading, Writing and Maths across the school with focus on vulnerable and more able</li> </ul>
<b>Effectiveness of Early Years Provision : Quality and Standards</b>	<ul style="list-style-type: none"> <li>To ensure the start of year procedures and assessments are robust and effective</li> <li>To continue to focus on raising standards in "Communications and Language" and in "Literacy" –new initiatives introduced last year included successful use of word key rings in YR and phonics games provided for use at home</li> <li>To maintain the focus on raising standards and narrowing the gap between highest achievers and more vulnerable groups of learners</li> <li>To further extend the scope and timings of nursery provision to suit the needs of parents</li> <li>To increase opportunities to venture beyond school/nursery even more frequently to enliven curriculum and promote engagement</li> </ul>

Our strategies to facilitate this included;

- Continued postholder with responsibility for Achievement and Progress
- A key focus on robust strategies for the monitoring of teaching and learning
- Senior Leaders regularly monitored progress data and carried out lesson observations, book trawls and planning scrutinies.
- Best practice shared across the school and among the local schools in our collaborative group
- High quality learning interventions provided to support our children's learning journey
- The school development priorities were shared with stakeholders
- The school appointed a highly qualified advisor to provide school improvement support / advice
- Additional staff employed to reduce pupil : staff ratios and provide targeted teaching where appropriate
- Continued work with partner schools and the Rivers Teaching School Alliance to share best practice
- Homework Clubs for each year group to support additional learning activities

The school is striving to create an environment in which each individual is given the opportunity to maximise their potential in all areas of learning. With this in mind, we provide a broad and balanced curriculum with a focus on key skills.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**ACTIVITIES FOR ACHIEVING OBJECTIVES**

**Early Years**

The percentage of children achieving a good level of development in the Reception class in July 2016 was 53.3%. This shows a continuing upward trend.

	2013	2014	2015	2016
Total Cohort	25	29	31	30
% Good Level of Development	40%	44.8%	51.6%	53.3%

**Year 1 Phonics**

2016: 83% of Year 1 children achieved passed the Year 1 Phonics test. The proportion of Year 1 children that met the expected standard has been above the national figure for the last two years.

	2013	2014	2015	2016
Total Cohort	30	30	29	30
Number who passed	18	20	23	25
% Passed	60%	66.7%	79.3%	83.3%

**Year 2 Phonics**

	2013	2014	2015	2016
Total Cohort	14	12	8	6
Number who passed	13	6	3	4
% Passed	92.9%	50%	37.5%	67%

**End of Year 2**

Attainment in phonics has improved and a greater proportion of children passed the Year 1 / 2 Phonics Checks in 2016. However, the bias towards the teaching of phonics means the children are relying on this method for spelling and they are not as confident spelling the common exception words they are expected to be able to spell by the end of KS1. This is a priority for 2016-17.

Talk 4 Writing is now embedded in KS1 and has supported improved vocabulary and the children's ability to orally rehearse what they are going to write before writing. The content of children's writing has improved and attitudes to writing are positive.

Homework Club is now established for KS1 and is open for children and parents to attend. School staff support children and parents with completing homework activities within the school environment. Uptake of this has varied over the year.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

Structured maths intervention programmes, Numbers Count and 1st Class @ Number, have helped to close the gaps for lower attainers in mathematics.

Developing children's reasoning skills is an area for development for KS1 both in mathematics and other curriculum areas.

High emphasis on Growth Mindset has helped children to develop resilience and perseverance.

External Data shows overall attainment in all key areas is below national averages. Working alongside this group of children to increase rates of progress and raise attainment is a key school priority

	READING		WRITING		MATHS		SPAG	
	EXS	GDS	EXS	GDS	EXS	GDS	EXS	GDS
St. Matthias	19/30	0	15/30	0	17/30	0	24/30	-
	50%	13%	50%	0%	50%	7%	80%	-
Worcestershire	45.7%	26.6%	48.6%	12.5%	51.7%	18.0%	84.1%	-
National	50.5%	23.7%	52.3%	13/4%	54.8%	17.9%	81.9%	-

#### End of Year 6

In Phase collaborative working has provided consistency across the Phase. This has led to a smooth transition from Year 5 to Year 6.

Shared expectations through Parent meetings and well attended homework clubs led to better than expected levels of progress across in maths and grammar.

Although attainment in maths was still below national expectations, we are seeing an improvement in procedural calculations, including better retention of tables.

A continued focus on ensuring lessons have carefully planned elements problem of solving and reasoning will raise attainment further.

Growth mindset practice has raised aspirations and expectations. Children are becoming more resilient in the face of challenge. This will be further developed through the use of SOLO taxonomy to promote application and deeper levels of understanding.

This small cohort of 24 has presented us with a number of challenges in terms of learning and progress.

	Number	Percentage
Boys	18	75%
Girls	6	25%
EAL	2	8%
SEND	6	25%
SEND with a EHCP	1	4%
Autumn Born	8	33%
Spring Born	4	17%
Summer Born	12	50%
New since YrR	12	50%
New since Yr3	10	42%

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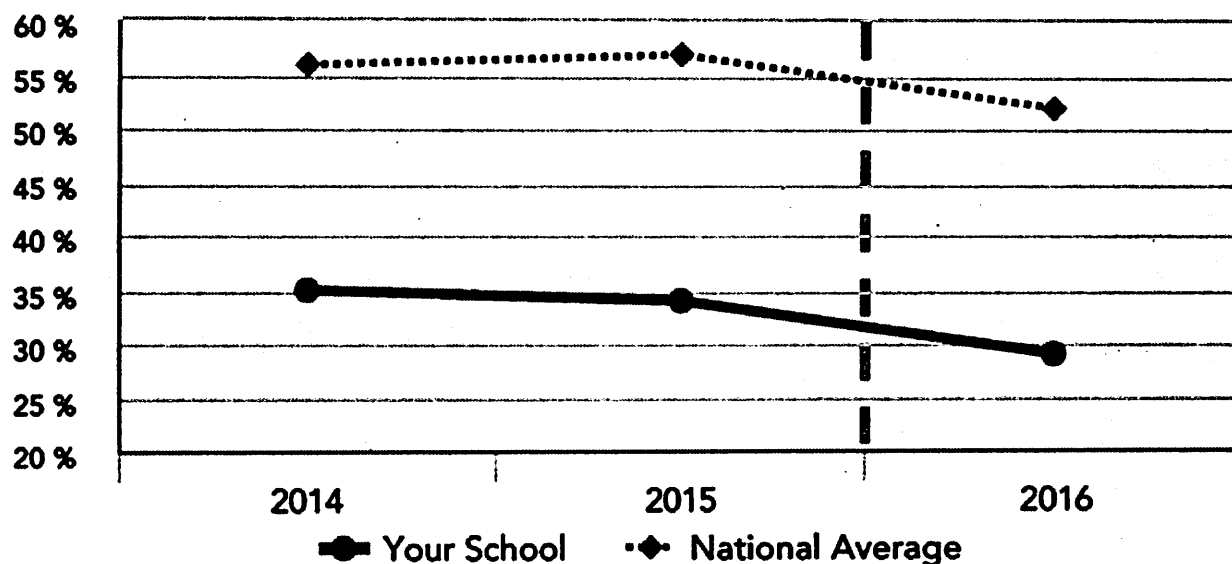
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The number of children achieving the expected standard in Reading, Writing and Maths combined was lower than the national average. However, progress in all three key areas was above the floor standard.



The school has a range of intervention strategies in place to continue to improve this profile, and in particular to accelerate pupil progress.

#### **PUBLIC BENEFIT**

In setting the objectives, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

#### **MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT**

The primary purpose of the academy is the advancement of education within the local area. The academy runs an extended day during term time, offering a safe place for pupils while parents are working. The academy operates both pre and post school care and an onsite maintained Nursery.

#### **Achievements and performance**

##### **a. KEY FINANCIAL PERFORMANCE INDICATORS**

The Academy uses a number of Key Performance Indicators (see overleaf) to include;

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Standards / School Development**

<b>Key Performance Indicators</b>	<b>Measures</b>
<b>1.School Aims and Values</b>	How the school aspires to be fully inclusive, treat everyone equally, strive for excellence and provide the optimum environment for the intellectual, emotional, physical, social and spiritual growth of every pupil in its care.
<b>2.School Christian Distinctiveness / SIAMs Reports</b>	How well the school, through its distinctive Christian character, meets the needs of all learners.
<b>3.Ofsted Reports / Inspection Outcomes</b>	School provision, in terms of; Leadership and Management Quality of Teaching Learning and Assessment Personal Development, Behaviour and Safety Outcomes for Pupils Effectiveness of Early Years
<b>4. Pupil Numbers</b>	The opinion regarding the school within the local community
<b>5.Raise-on-line / whole school data</b>	Pupil Progress and Attainment and how well our pupils do within the local and national context.
<b>6.Pupil Premium Report</b>	A range of effective measures are undertaken which result in increased progress, attainment and attendance for disadvantaged children. The gap between disadvantaged pupils and others narrows. Annually submitted on website with outcomes.
<b>7.SEND (including the Information Report, SEND Policy and Policy for Supporting Children with Medical Conditions)</b>	How well the school meets the needs of children with Special Educational needs and / or disabilities. The SEND Information Report must be published on the school website.
<b>8.School Self Evaluation</b>	How accurately the school evaluates current provision and make plans for continuous improvement
<b>9.Sports Premium Report</b>	Plan demonstrates spend is effective in promoting pupil uptake of sports and encouraging healthy eating / healthy lifestyles. Staff skill base growing. Annually submitted on website with outcomes.
<b>10.Whole School Policies, including; Positive Behaviour Policy Anti-Bullying Policy Complaints Policy</b>	The effectiveness of school policies.
<b>11.Curriculum Policies, including; English Policy Maths Policy Subject Policies Marking and Feedback Guidelines</b>	These are available to all stakeholders on the school website and accurately reflect current practice.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

12. Whole School Curriculum, including provision for Personal, Social, Health and Economic Education	How well the curriculum meets the needs of all learners, is engaging, memorable and broad.
13. School Website	School information is accessible to parents. The school website must be compliant with current regulations.
14. Governor Strategic Aims and Vision	How ambitious the Governors are for the school and how they plan to ensure all provision is of a high quality.
14. Safeguarding Information including provision for; Safeguarding DBS Checks Safer Recruitment PREVENT Duty	How well the school meets its safeguarding duties and keeps children safe in school.
16. Continual Professional Development Records	How well the school meets the professional development needs of all staff.
17. Health and Safety Information	How well the school ensures due regard is given to keeping children safe within the school environment.
18. Parent Questionnaires	How well the school is meeting the needs of parents and families.
19. Attendance data	Attendance target is achieved. Parents aware of importance of attendance for children
20. Notional SEND budget	Spend monitored in delivering best outcomes for pupils with SEN and maximising agency support
21. School Development Plan	Prioritises future school improvement and key actions to achieve this

**Financial Health**

Key Performance Indicators	Measures
1. Budget Monitoring Reports / Budget Setting Report	Well thought through, balanced and showing a carry forward of approximately one months running costs. Regularly reviewed by Governors as evidenced in minutes
2. Annual Accounts	Unqualified, accurate, timely with no concerns highlighted by auditors. Accounts evidence best value processes.
3. Business Plan (School Development Plan)	Takes school priorities evidenced by data into account. Actions are specific, accurately costed, planned within reasonable timescales and deliver impact for pupils.
4. Three Year Budget Plan	Based on reasonable predictions of expected budget and costs. School priorities are taken into account. Regularly reviewed by Governors as evidenced in minutes
7. Risk Policy	All aspects of risks are carefully thought through with workable plans in place to minimize these.
8. Finance Policies	These are shared with all relevant stakeholders and accurately reflect current practice.
8. Finance Policies	current practice.



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**FOR THE YEAR ENDED 31 AUGUST 2016**

The vast majority of these indicators demonstrate the school continues to be healthy and successful, providing a high quality education to all pupils, as demonstrated below;

1. The school continues to retain its Good outcome from Ofsted
2. The school continues to be in financially stable despite increased staffing costs
3. Pupil numbers have increased by 28 children in the last 3 years. The school is now almost at capacity
4. School policies are kept up to date and are fit for purpose
5. The percentage of children achieving a good level of development in the Reception class in July 2016 was 53.3%. This shows a continuing upward trend.
6. 2016: 83% of Year 1 children achieved passed the Year 1 Phonics test. The proportion of Year 1 children that met the expected standard has been above the national figure for the last two years.
7. Provision for children with SEND continues to meet the need of these pupils

**Ofsted Inspection Outcomes**

The school is showing a steady improvement since it was placed in Special Measures in 2009 as indicated by the table below.

Date	Ofsted Inspection Outcome
January 2009	Inadequate
July 2010	Satisfactory
July 2012	Good
February 2014	Good

**Number of Students**

St. Matthias is a one-form entry Primary school with a PAN of 30. It caters for children from 4 years old (Reception Year) to 11 years old (Year 6). The school has an established Nursery which runs each morning and provides afternoon Pre-School sessions for our Rising Threes. Nursery pupils are able to attend the afternoon sessions which provides an option of full day care for our families.

	January 2013			January 2014			January 2015			January 2016		
Year	Girls	Boys	Total	Girls	Boys	Total	Girls	Boys	Total	Girls	Boys	Total
N	10	15	25	13	13	26	13	12	25	10	20	30
R	13	12	25	12	18	30	17	13	30	15	15	30
1	14	15	29	15	15	30	13	16	29	14	15	29
2	13	15	28	15	15	30	15	15	30	17	11	28
3	3	16	19	15	16	31	14	14	28	14	14	28
4	17	12	29	5	19	24	15	14	29	12	17	29
5	11	9	20	18	11	29	6	18	24	14	15	29
6	13	13	26	10	11	21	17	13	30	19	7	26
	94	107	201	103	118	221	110	115	225	115	114	229

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Attendance**

The school uses a number of strategies to support good attendance and as a result attendance levels remain steady.

Year	Actual Absence	Actual Attendance
2012-13	5.2%	94.8%
2013-14	4.6%	95.4%
2014-15	4.4%	95.6%
2015-16	4.6%	95.4%

Finally the Academy uses the level of reserves available to continue the improvement of the site, facilities and curriculum development. Each year we carefully monitor school spending to ensure enough funds are carried forward to support future school development priorities.

**INVESTMENT POLICY AND PERFORMANCE**

The Headteacher and Finance Secretary together with the Resource and Audit Committee will ensure that any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment strategy.

**Financial review**

**GOING CONCERN**

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

**FINANCIAL REVIEW**

The accounting period runs from 1st September 2015 to 31 August 2016. The majority of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure is shown as restricted funds in the statement of financial activities.

The School Development Plan highlights how expenditure is linked to School Development Priorities.

Over the year Governors reviewed and updated key financial policies in line with the policy review framework.

Pupil numbers continue to increase resulting in increased grant income. Increased staffing costs reflect the improved pupil numbers. The Governors are committed to reinvesting back into the school, its facilities and resources. The school operates before and after school wrap around care and any surplus from this is re-invested back into the school.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk areas are the protection of pupils, staff and assets as well as maintaining pupil numbers in order to maximise income generation through funding. Systems and procedures to minimise risks are constantly being reviewed and updated and the Risk Register is reviewed annually by the Governor

The key risks as identified through the school Risk Register are as follows;

Sub Category	Specific	Control Procedures
Management Risk	Key person loss/ succession risk	Succession planning in place. Delegation of responsibilities.
Health and Safety Risk	Fatality/injury to member of staff / pupil / third party	Reduce likelihood by raising profile of Health and Safety risks. Regular updates / staff training maintained. Near Miss records kept and analysed. Caretaker with responsibility for site maintenance. Associate Governor with responsibility for monitoring Health and Safety and advising SLT and reporting to Governors. Health and Safety Advisor employed by the school to ensure compliance.
	Other third party risk	Reduce likelihood by raising profile of health and safety risks. Ensure visitors are aware of school procedures and policies regarding Health and Safety (required to read this on entering the school. Information on back of Visitor Passes for immediate information.) On site contractors informed of school procedures which they are expected to follow. Third party visitors working / volunteering in school required to have clear DBS check.
	Failure to comply with Health and Safety legislation results in an employee/volunteer/ beneficiary of the charity being injured at work, attracting bad publicity	Ensure critical incident procedures in place and communication with press policy adhered to by all stakeholders. Policies easily available and stakeholders reminded of procedures on an annual basis. Associate Governor with responsibility for monitoring Health and Safety and advising SLT and reporting to Governors. Health and Safety Advisor employed by the school to ensure compliance.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

Child Protection Act risk	Risk that legislative requirements are not known or complied with	Senior member of staff with responsibility for Safeguarding. Key members of staff receive specific external training / updates. All staff receive Safeguarding training – updated every three years. Close working with Children's Services via POD at St. Matthias. Close contact with Worcestershire Safeguarding Board who supply regular updates and provide instant advice when necessary.
Pension risk	Risk that scheme is in significant deficit	Ensure contingency fund in place and budget has sufficient flexibility to sustain loss.
	Risk that charity is not making the correct contributions	
Trustee risk	Trustees without required expertise	Ensure governors receive regular training. SLA with Governor Services maintained. Option to co-opt Associate Governors with specific expertise onto Governing Body.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**RESERVES POLICY**

The policy of the Governors is to maintain a level of reserves that will be adequate to provide;

- a stable basis for the continuing operation of the academy
- sufficient funds to meet the Academy's long term aims and objectives

However, Governor recognise due consideration needs to be applied to ensure excessive funds are not accumulated and that budgeting to achieve these aims must not affect current operational activities.

The Governors are also committed to ensuring sufficient reserves are kept to protect against possible reductions in the funding. To this end, Governors have asked the school to work towards holding one month's running costs in reserve each year. This would amount to approximately £60,000. Governors recognise this may need to be achieved over a 3 year period. All reserves are held in line with the DfE guidelines.

Excluding the pension scheme liability and capital funds, the academy funds carried forward as at 31st August 2016 are a surplus of £35,000 (2015 - £55,000).

The academy also has a pension scheme deficit in respect of the local Government Pension Scheme of £419,000 (2015 £262,000). The liability is included in restricted reserves and the academy will have to meet any long term liability out of restricted reserves. This deficit is considered a long term deficit and not an immediate liability.

The Governors are happy that the Academy's progress has continued and are optimistic that they can increase the school reserves and prevent any future deficits.

**PRINCIPAL FUNDING**

Most of the Academy's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds on the statement of financial activities.

The Academy also received a grant for fixed assets from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year to 31 August 2016 all resources were used to provide education and the associated support services to the pupils of the Academy.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Plans for future periods**

**FUTURE DEVELOPMENTS**

In the short term, the main focus of the School Development Plan is to increase the percentage of pupils working at age related levels by the end of July 2017.

The school considers, as a key priority, the development of further initiatives to improve the quality of teaching and learning by ensuring all staff adopt robust and effective strategies with highly differentiated learning opportunities. The school will continue to work towards the Ofsted targets highlighted in the February 2014 inspection, namely to;

1. Increase the proportion of outstanding teaching, so all pupils achieve their best, and
2. To carefully analyse the progress and attainment of the most able pupils as a routine part of the checks that leaders in the school make

**FUNDS HELD AS CUSTODIAN**

The Academy does not hold any funds as custodian Trustee on behalf of others.

**DISCLOSURE OF INFORMATION TO AUDITORS**

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

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the board of trustees as the company directors, on 7 December 2016 and signed on its behalf by:



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**Helen Yorke - Chair of Trustees**



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**Claire Davies - Accounting Officer**

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

As governors, we acknowledge we have overall responsibility for ensuring that St. Matthias Church of England Primary Academy 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. Matthias Church of England Primary Academy 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.

The Full Governing Body comprises 17 Governors, 6 of which sit on the Resource and Audit Committee. This Committee is also supported through the attendance of staff members from the school. Each meeting that took place during the accounting period was quorate, in the main all absences were approved with a couple of unapproved absences due to a lack of prior notification. The Full Governing Body, supported by the Resource and Audit Committee, challenged and supported decisions and policy development. Governors continued to support the implementation of improvements to financial reporting, management and monitoring to give assurance that the school would be financially robust and able to provide meaningful management information to support decision-making. Additionally, during the year, governance supported the review of improvement to both the school premises and the staff structure of the leadership team to enable the delivery of the School Development Plan. Ongoing information was provided by the SLT to inform the Governors on the progress of pupil attainment. The Governing Body has developed its knowledge of the school considerably; regular training has helped Governors to feel more confident in their roles, resulting in much greater involvement in the management of the school and more effective challenge to school leaders.

**GOVERNANCE**

The information on governance included here supplements that described in the Governors' report and in the Statement of Governors' responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Jenefer Snelson, Chair of Governors	1	1
Rev Peter Knight, Director Governor	3	7
Claire Davies, Headteacher & Accounting Officer	7	7
Glyn Stacey, Director Governor	7	7
Helen Yorke, Director Governor & Chair	6	7
Carol Nash, Director Governor	6	7
Fiona Cullerne, Deputy Headteacher & Director Governor	7	7
Wendy Bevan, Director Governor & Chair	5	5
Alison Sims, Director Governor	7	7
Matthew Day, Director Governor	6	6
Martha Worthington, Director Governor & Staff Governor	4	7
Clare Bookham	0	0
Hannah Kent	0	0
Timothy Silk	4	6
Jan Oliff, Director Governor	3	4

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**GOVERNANCE STATEMENT (continued)**

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During 2015/16 the Governing Body continued to review its structure to ensure that it continued to be a cohesive and dynamic body. Consideration was given to the number of governors, skills required and membership.

The Governors also performed a thorough review of the Governor Vision and Strategic Aims for the school. These have now been finalised and published on the school website along with the Governor monitored Key Performance Indicators.

The Resource and Audit Committee is a sub-committee of the main board of Governors. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. The remit of this committee has been under review with the inclusion of monitoring school effectiveness through analysis of data and children's outcomes, keeping under review the groupings of pupils used for reporting and the aim to exceed national average. To support data analysis, Governor membership has been strengthened on this committee with an education sector skill focus.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Claire Davies, Headteacher & Accounting Officer	5	6
Fiona Cullerne, Deputy Headteacher & Director Governor	5	6
Helen Yorke, Director Governor	0	1
Matthew Day, Director Governor	3	4
Jan Oliff	2	2
Jenefer Snelson, Chair of Governors	1	1
Wendy Bevan, Director Governor	5	6
Glyn Stacey, Director Governor	6	6

The Pay Committee is a sub-committee of the main board of Governors. Its purpose is consider decisions about whether or not to accept a pay recommendation made by the Headteacher regarding a member of staff. The Pay Committee is also responsible for the performance appraisal of the Headteacher and the annual review of the Appraisal and Pay Policies.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Alison Sims, Director Governor	1	1
Rev Peter Knight, Director Governor	1	1
Wendy Bevan, Director Governor	1	1
Glyn Stacey, Director Governor	1	1



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**GOVERNANCE STATEMENT (continued)**

As part of our drive to ensure comprehensive governance across a wide range of school systems and aspects, all governors completed a skills / knowledge audit in 2016.

<b>Skill</b>	<b>Professional / Amateur level of experience</b>
Health and Safety	7/12
Presentation and Training	10/12
Mediating	7/12
Strategic Planning	8/12
Research	10/12
Languages	5/12
Art and Design	8/12
Legal Knowledge	5/12
Financial Planning	7/12
Contracting Service	5/12
ICT	9/12
Marketing	7/12
Project Management	8/12
Public Relations	7/12
Human Resources	6/12
Chairmanship of Meetings	7/12

<b>Knowledge</b>	<b>Good / Excellent level of knowledge</b>
Keystage 1 & 2 Curriculum	4/12
School Financial Management	5/12
Best Value	5/12
Personnel Management – General	7/12
Personnel Management – Performance Management	7/12
Personnel Management – Recruitment / interviewing	6/12
Equal Opportunities	5/12
Awareness of sources of information about the school	6/12

It is the intention of the Governing Body to look to recruit future governors with an expertise in the skills / knowledge currently poorly represented on the Full Governing Body, namely legal knowledge and Human Resources or to train additional Governors in key aspects such as recruitment and interviewing.

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**GOVERNANCE STATEMENT (continued)**

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**Governor Vision and Strategic Aims**

As Governors we will work with staff and parents to help children enjoy their learning and achieve of their best in all aspects of school life. Our vision for our children is evidenced in the school statement, 'Aspire, Believe, Achieve'

1. Roles and Responsibilities

The Governing Body at St Matthias works in partnership with the Headteacher, the Diocesan Board of Education and the community of the school to provide the best possible education for its pupils. It has three key roles:

2. Working Strategically

Defining the school values, vision and aims, to discuss, agree and continually evaluate strategic plans and policies. To have an input into school development plans, to include curriculum development, which cover the school's immediate future and show the longer term progress the school will make over the next three to five years.

3. Acting as a Critical Friend

Supporting the Headteacher and staff, as well as constructively challenging and building on their expectations to ensure the best possible outcomes for children are achieved.

4. Ensuring Accountability

Governors answer for their decisions and the school performance to key stakeholders- parents, carers, and staff. To achieve this they work closely with the Headteacher to ensure a cycle of continual improvement. Governors are individually linked with SDP priorities and undertake regular visits to school relating to their specific responsibilities

**Vision statement**

As Governors we work with staff and parents to help our children enjoy learning, achieve their potential and to secure the best possible outcomes for the children. We do this by:

- Ensuring that all our pupils enjoy and benefit from the highest quality of teaching and learning, delivered by a team of teachers and support staff who are pupil centred, passionate about their roles / responsibilities and who are experts in their field
- Ensuring that the school is financially sound, making best use of its income in ways which have a positive impact on the quality of teaching and learning, achievement, assessment and pupils' experience of school
- Ensuring support for all groups of children, to include boys, girls, more able, vulnerable learners, EAL, pupil premium and children with special educational and/or medical needs is of the highest standard so all children are supported to achieve their best
- Evaluating the school's effectiveness and benchmarking performance against other schools locally and nationally.
- Sustaining the distinctive Christian ethos of our school and its focus on Christian values to enable pupils to grow and develop in a loving, caring community where the very best standards of conduct, moral purpose, integrity and concern for others are the norm.
- Ensuring the school remains up to date with current educational thinking and is fully compliant with national / educational expectations

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**GOVERNANCE STATEMENT (continued)**

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- Ensuring that all stakeholders have the opportunity to contribute to the development of the school and the quality of education it provides through the sharing of ideas, developments, achievements, celebrations, needs and concerns
- Helping to create and sustain a school community in which all parents and carers, pupils, staff and visitors feel welcomed and valued.
- Working in collaboration with other schools in our local community and the wider education community to ensure that all pupils receive the best provision possible and that transition between schools and /or key stages is as smooth as possible

**Monitoring – how we set and maintain focus on goals**

School Self-Evaluation is an ongoing process which recognises school achievements / improvements and identifies next steps for development. Our self-evaluation is supported by regular monitoring and evidence trails, to include Raise-on-line and other relevant key performance indicators. This information is summarised in the School Self Evaluation (SSE) document which is updated on a termly basis.

From this, a three year School Development Plan (SDP) is put in place to capture our aspirations. The SDP identifies key areas for improvement and establishes a rolling programme of robust actions to fulfil the immediate and long term requirements of our pupils and other stakeholders, whilst maintaining the financial viability of the school. Governors and Senior Leaders work together in the creation of the SDP and the Headteacher, along with key staff and Senior Leaders, holds responsibility for fulfilling the priorities. The Headteacher reports termly to the FGB on progress towards targets and Governors' visits allow them to evidence progress independently. Outcomes are used to inform future strategies and goals.

The SDP informs targets for staff. Teacher's performance is managed robustly and is part of an ongoing assessment process, used as a basis for salary progression. A full analysis of teacher performance is discussed by the Pay Committee of the Governing Body in the autumn term. Non-teaching staff take part in an annual professional review to examine achievements and look at next steps in performance.

**REVIEW OF VALUE FOR MONEY**

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

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

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**GOVERNANCE STATEMENT (continued)**

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The main principles employed by the school to ensure best value include;

- Challenge - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- Compare - How does the school's pupil performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?
- Consult - How does the school seek the views of stakeholders about the services the school provides?
- Compete - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

These principles are applied when making decisions about:

- the allocation of resources to best promote the aims and values of the school
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all pupils

The accounting officer for the academy has delivered improved value for money during the year by:

- making comparisons with other/similar schools using data provided by the LA and the Government, e.g. RAISE, quality of teaching & learning, levels of expenditure
- challenging proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets
- requiring suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computer suite, redecoration
- consulting individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. Sex and Relationships Education, pupil reports, assigned inspector, Ofsted etc
- giving detailed consideration to the deployment of staff to provide best value in terms of the quality of teaching, quality of learning, adult-pupil ratio, and curriculum management
- considering the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources, e.g. the library
- promoting high standards in the deployment and care of equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning
- performing regular reviews of the curriculum and quality of teaching to provide parents and pupils with a high standard of provision
- reviewing the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual pupil achievement targets, 2 national curriculum levels between Years 3 and 6 etc
- Developing procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures already in place include:
  - purchasing procedures within Financial Regulations (e.g. limits of spend requiring quotations or tender)
  - procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- reviewing the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors
- conducting regular in-house monitoring by the Headteacher and curriculum managers to analyse different key aspects of school provision

Examples where we have achieved value for money

1. Staff insurance – reduced costs by £8,720 through researching and obtaining quotes from 3 different insurers
2. Purchase of Canopy – substantial discount achieved through negotiation with several suppliers.

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**GOVERNANCE STATEMENT (continued)**

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**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

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

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, together with the Finance Secretary 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 Matthias Church of England Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control as well as making recommendations for improvement.

The Finance Secretary has developed a system of controls and checks and holds regular meetings with the Headteacher to review finances. The Financial Handbook details the procedures and systems to be used by all budget holders. A copy of the handbook is available to all budget holders and staff are aware that all purchases and contracts must be entered into only by the Headteacher. The Financial Regulations in place govern how the financial systems and procedures are managed. Risk Management is driven by Governors and the SLT throughout the organisation.

In relation to Risk, staff are trained to be aware of risks and understand how to manage risks through mitigation procedures. The Academy learns from outside networking and through sharing information and good practice. The Governors have reviewed the identified key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Full Governing Body has responsibility for the ongoing risk management and has delegated to the Resource and Audit Committee the ongoing process for identifying, evaluating and managing the Academy significant risks with the Full Governing Body informed of any significant changes or additions to the Risk Register. This review mechanism has been in place for the period 31 September 2015 to 31 August 2016 and up to the date of approval of the Annual Report and Financial Statements.

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**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Angelique Dalton, the Financial Director of Dyson Perrins CofE Academy to perform peer review.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a semi-annual basis, the reviewer reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

In the instances where the RO has made recommendations for improvement, these have been discussed with the Resource and Audit Committee and, where appropriate, implemented.

These arrangements provide reasonable assurance that assets are safeguarded, transactions are authorised and properly recorded and that material errors or irregularities are either prevented or would be detected within a timely period.

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**GOVERNANCE STATEMENT (continued)**

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

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

Approved by order of the members of the board of trustees on 7 December 2016 and signed on their behalf, by:



**Helen Yorke**  
Chair of Trustees



**Claire Davies, Headteacher**  
Accounting Officer

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of St. Matthias Church of England Primary Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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 2015.

I confirm that I and the academy trust 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 trust's funding agreement and the Academies Financial Handbook 2015.

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



**Claire Davies**  
**Accounting Officer**



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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The Governors (who act as governors of St. Matthias Church of England Primary Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 7 December 2016 and signed on its behalf by:



**Chair of Trustees**

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**

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We have audited the financial statements of St. Matthias Church of England Primary Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS**

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

The Governors have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST.  
MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**

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**OPINION ON FINANCIAL STATEMENTS**

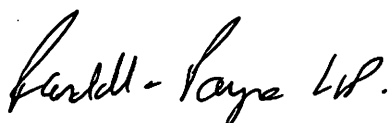
In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- the Academy has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Governors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



**Randall & Payne LLP**

Chartered Accountants & Statutory Auditors

Chargrove House  
Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4GA  
13 December 2016

Randall & Payne LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST. MATTHIAS  
CHURCH OF ENGLAND PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 17 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St. Matthias Church of England Primary Academy during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St. Matthias Church of England Primary Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St. Matthias Church of England Primary Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St. Matthias Church of England Primary Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY'S  
ACCOUNTING OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of St. Matthias Church of England Primary Academy's funding agreement with the Secretary of State for Education dated 1 August 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST. MATTHIAS  
CHURCH OF ENGLAND PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

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The work undertaken during the audit included:

- 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 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.

**CONCLUSION**

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



**Randall & Payne LLP**

Chartered Accountants & Statutory Auditors

Chargrove House  
Shurdington Road  
Cheltenham  
Gloucestershire  
GL51 4GA

13 December 2016

**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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

		Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
	Note					
<b>INCOME FROM:</b>						
Donations and capital grants	2	1	17	6	24	122
Charitable activities	3	25	1,141	-	1,166	1,168
Other trading activities	4	1	-	-	1	1
<b>TOTAL INCOME</b>		<b>27</b>	<b>1,158</b>	<b>6</b>	<b>1,191</b>	<b>1,291</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		28	1,037	169	1,234	1,167
<b>TOTAL EXPENDITURE</b>	7	<b>28</b>	<b>1,037</b>	<b>169</b>	<b>1,234</b>	<b>1,167</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	17	(1)	121	(163)	(43)	124
		-	(148)	148	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		(1)	(27)	(15)	(43)	124
Actuarial losses on defined benefit pension schemes	21	-	(152)	-	(152)	(14)
<b>NET MOVEMENT IN FUNDS</b>		<b>(1)</b>	<b>(179)</b>	<b>(15)</b>	<b>(195)</b>	<b>110</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		21	(228)	1,027	820	710
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>20</b>	<b>(407)</b>	<b>1,012</b>	<b>625</b>	<b>820</b>

**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07704001**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£000	2016 £000	£000	2015 £000
<b>FIXED ASSETS</b>					
Tangible assets	14		1,012		929
<b>CURRENT ASSETS</b>					
Debtors	15	20		25	
Cash at bank and in hand		68		183	
		<u>88</u>		<u>208</u>	
<b>CREDITORS: amounts falling due within one year</b>	16	(51)		(55)	
<b>NET CURRENT ASSETS</b>			37		153
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,049</u>		<u>1,082</u>
Defined benefit pension scheme liability	21		(424)		(262)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>625</u>		<u>820</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	17	17		34	
Restricted fixed asset funds	17	1,012		1,027	
Restricted income funds excluding pension liability		1,029		1,061	
Pension reserve		(424)		(262)	
Total restricted income funds			605		799
Unrestricted income funds	17		20		21
<b>TOTAL FUNDS</b>			<u>625</u>		<u>820</u>

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
**(A company limited by guarantee)**

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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2016**

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The Governors consider that the Academy is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the Academy to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the Governors, and authorised for issue, on 7 December 2016 and are signed on their behalf, by:



**Helen Yorke, Chair of Governors**



**Claire Davies, Headteacher & Accounting Officer**

The notes on pages 40 to 59 form part of these financial statements.



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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
**(A company limited by guarantee)**

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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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	Note	2016 £000	2015 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	5	54
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(126)	(29)
Capital grants from DfE/EFA		6	112
<b>Net cash (used in)/provided by investing activities</b>		(120)	83
<b>Change in cash and cash equivalents in the year</b>		(115)	137
Cash and cash equivalents brought forward		180	43
<b>Cash and cash equivalents carried forward</b>	20	65	180

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

St. Matthias Church of England Primary Academy constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Governors have amended certain accounting policies to comply with FRS 102 and SORP 2015. [The Governors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS']

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

**1.2 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 Governors.

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.

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

**1.4 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £250 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities 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.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	50 years straight line
Fixtures and fittings	-	20% or 25% straight line
Computer equipment	-	33% straight line

**1.7 Interest receivable**

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

**1.8 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.

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.9 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.

**1.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. 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.

**1.11 Taxation**

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

**1.12 Pensions**

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

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

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (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

**1.13 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 March 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Donations	1	17	-	18	10
Capital Grants	-	-	6	6	112
	<u>1</u>	<u>17</u>	<u>6</u>	<u>24</u>	<u>122</u>
Total donations and capital grants	1	17	6	24	122

In 2015, of the total income from donations and capital grants, £5,000 was to unrestricted funds and £5,000 was to restricted funds

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Educational Operations Direct	-	1,141	1,141	1,160
Activities for Generating Funds	25	-	25	8
	<u>25</u>	<u>1,141</u>	<u>1,166</u>	<u>1,168</u>

In 2015, of the total income from charitable activities, £30,000 was to unrestricted funds and £1,250,000 was to restricted funds.

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
<b>DfE/EFA grants</b>				
General Annual Grant	-	895	895	925
Other DfE/YPLA/EFA Grants	-	40	40	84
Special Educational Projects	-	1	1	3
Other LA Grants	-	91	91	33
Pupil Premium	-	114	114	115
	<u>-</u>	<u>1,141</u>	<u>1,141</u>	<u>1,160</u>

In 2015, of the total income from charitable activities, £30,000 was to unrestricted funds and £1,242,000 was to restricted funds.

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**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Music & Swimming Income	1	-	1	1

In 2015, of the total income from other trading activities, £ NIL was to unrestricted funds and £1,000 was to restricted funds.

**5. DIRECT COSTS**

	Educational Operatio £000	Total 2016 £000	Total 2015 £000
Pension income	8	8	11
Educational Supplies	91	91	86
Staff Development	12	12	19
Other Direct Costs	81	81	67
Maintenance of Premises & Equipment	1	1	4
Cleaning	-	-	5
Wages and salaries	687	687	631
National insurance	52	52	38
Pension cost	94	94	76
Depreciation	43	43	36
	<u>1,069</u>	<u>1,069</u>	<u>973</u>

In 2015, the Academy incurred the following Direct costs:  
£969,000 in respect of Educational Operations Direct

**6. SUPPORT COSTS**

	Educational Operatio £000	Total 2016 £000	Total 2015 £000
Insurance	15	15	13
Catering	35	35	40
Other Support Costs	24	24	58
Wages and salaries	24	24	28
National insurance	2	2	2
Pension cost	65	65	52
	<u>165</u>	<u>165</u>	<u>193</u>



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**6. SUPPORT COSTS (continued)**

£7,000 (2015 - £7,000) included within the table above in respect of Governance.

In 2015, the Academy incurred the following Support costs:

£181,000 in respect of Educational Operations Direct

£7,000 in respect of Governance

**7. EXPENDITURE**

	<b>Staff costs</b>	<b>Premises</b>	<b>Other costs</b>	<b>Total</b>	<b>Total</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Educational Operatio:					
Direct costs	<b>835</b>	<b>1</b>	<b>233</b>	<b>1,069</b>	<b>973</b>
Support costs	<b>91</b>	<b>-</b>	<b>74</b>	<b>165</b>	<b>194</b>
Governance: Support costs	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>
	<b>926</b>	<b>1</b>	<b>307</b>	<b>1,234</b>	<b>1,180</b>

In 2016, of the total expenditure, £30,000 (2015 - £22,000) was to unrestricted funds and £1,201,000 (2015 - £1,128,000) was to restricted funds.

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**8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>43</b>	<b>36</b>
Auditors' remuneration - audit	<b>5</b>	<b>(8)</b>
Auditors' remuneration - other services	<b>-</b>	<b>2</b>
Operating leases	<b>9</b>	<b>12</b>
	<b>=====</b>	<b>=====</b>

**9. GOVERNORS' REMUNERATION AND EXPENSES**

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

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

		<b>2016</b>	<b>2015</b>
		<b>£000</b>	<b>£000</b>
C Davis, Headteacher/ Accounting Officer	Remuneration	<b>65-70</b>	<b>65-70</b>
	Pension contributions paid	<b>10-15</b>	<b>5-10</b>
F Cullerne, Staff Governor	Remuneration	<b>45-50</b>	<b>45-50</b>
	Pension contributions paid	<b>5-10</b>	<b>5-10</b>
M Worthington, Staff Governor	Remuneration	<b>35-40</b>	<b>25-30</b>
	Pension contributions paid	<b>5-10</b>	<b>0-5</b>

During the year, total expenses of £87 (2015: £Nil) were paid to Staff Governors in their respective Staff roles.

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**10. STAFF COSTS**

Staff costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>712</b>	<b>659</b>
Social security costs	<b>54</b>	<b>40</b>
Other pension costs	<b>160</b>	<b>128</b>
	<hr/> <b>926</b> <hr/>	<hr/> <b>827</b> <hr/>

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>9</b>	<b>8</b>
Administration and support	<b>2</b>	<b>2</b>
Management	<b>3</b>	<b>3</b>
	<hr/> <b>14</b> <hr/>	<hr/> <b>13</b> <hr/>

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>1</b>	<b>1</b>

1 (2015: 1) of the above employees participated in the Teacher's Pension Scheme. During the period ended 31 August 2015, pension contributions for these staff amounted to £11,200 (2015: £9,488).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £191,568.

**11. AUDITORS' REMUNERATION**

The Auditor's remuneration amounts to an Audit fee of £5,475 (2015 - £5,300) and non-audit services of £2,090 (2015 - £2,154).

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**12. GOVERNORS' 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 £10,000,000 on any one claim and the cost for the year ended 31 August 2016 was contained within the total cost of the RPA agreement and is not separable (2015 - £1,368).

**13. OTHER FINANCE INCOME**

	2016 £000	2015 £000
Interest income on pension scheme assets	7	4
Interest on pension scheme liabilities	(15)	(15)
	<u>(8)</u>	<u>(11)</u>

**14. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>				
At 1 September 2015	956	63	38	1,057
Additions	108	4	14	126
At 31 August 2016	<u>1,064</u>	<u>67</u>	<u>52</u>	<u>1,183</u>
<b>Depreciation</b>				
At 1 September 2015	67	32	29	128
Charge for the year	20	13	10	43
At 31 August 2016	<u>87</u>	<u>45</u>	<u>39</u>	<u>171</u>
<b>Net book value</b>				
At 31 August 2016	<u>977</u>	<u>22</u>	<u>13</u>	<u>1,012</u>
At 31 August 2015	<u>889</u>	<u>31</u>	<u>9</u>	<u>929</u>

Included in land and buildings is Leasehold land at cost of £77,573 (2015 - £77,573), which is not depreciated.

The leasehold property is held by the Academy under a 2 year license agreement with the Diocese.

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**15. DEBTORS**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	1	3
Other debtors	-	7
Prepayments and accrued income	19	15
	<u>20</u>	<u>25</u>

**16. CREDITORS: Amounts falling due within one year**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	1	3
Other taxation and social security	29	14
Accruals and deferred income	21	38
	<u>51</u>	<u>55</u>

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Deferred income</b>		
Deferred income at 1 September 2015	12	15
Resources deferred during the year	10	12
Amounts released from previous years	(12)	(15)
Deferred income at 31 August 2016	<u>10</u>	<u>12</u>

At the balance sheet date the Academy had received funds for UIFSM for the 2016/17 period.

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**17. STATEMENT OF FUNDS**

	Brought Forward £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>Unrestricted funds</b>						
Unrestricted Funds	21	27	(28)	-	-	20
<b>Restricted funds</b>						
General Annual Grant	34	893	(762)	(148)	-	17
SEN	-	1	(1)	-	-	-
Pupil Premium	-	114	(114)	-	-	-
DfE/YPLA/EFA grants	-	42	(42)	-	-	-
Donations	-	5	(5)	-	-	-
School Fund	-	12	(12)	-	-	-
Nursery income	-	91	(91)	-	-	-
Pension reserve	(262)	-	(10)	-	(152)	(424)
	(228)	1,158	(1,037)	(148)	(152)	(407)
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	928	-	(64)	148	-	1,012
ACMF Capital Grant	99	-	(99)	-	-	-
Devolved Formula Capital	-	6	(6)	-	-	-
	1,027	6	(169)	148	-	1,012
<b>Total restricted funds</b>	799	1,164	(1,206)	-	(152)	605
<b>Total of funds</b>	820	1,191	(1,234)	-	(152)	625

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**17. STATEMENT OF FUNDS (continued)**

The restricted general fund includes grants receivable from the EFA, DfE, local authority and other government grants to be used for the primary activity of the charitable company. It also includes the balance on the Academy's share of the LGPS scheme.

The fixed asset fund relates to the grants received and assets donated/transferred in and are held for the charitable company's primary activity.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Tangible fixed assets	-	-	1,012	1,012	930
Current assets	35	54	-	89	207
Creditors due within one year	(12)	(40)	-	(52)	(54)
Provisions for liabilities and charges	-	(424)	-	(424)	(262)
	<u>20</u>	<u>(407)</u>	<u>1,012</u>	<u>625</u>	<u>821</u>

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

	<b>2016 £000</b>	<b>2015 £000</b>
Net (expenditure)/income for the year (as per Statement of financial activities)	<b>(43)</b>	<b>124</b>
<b>Adjustment for:</b>		
Depreciation charges	<b>43</b>	<b>37</b>
Decrease/(increase) in debtors	<b>5</b>	<b>(3)</b>
Decrease in creditors	<b>(4)</b>	<b>(1)</b>
Capital grants from DfE and other capital income	<b>(6)</b>	<b>(112)</b>
Defined benefit pension scheme finance cost	<b>10</b>	<b>9</b>
<b>Net cash provided by operating activities</b>	<b>5</b>	<b>54</b>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2016 £000</b>	<b>2015 £000</b>
Cash in hand	<b>65</b>	<b>180</b>
<b>Total</b>	<b>65</b>	<b>180</b>



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**21. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire 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 £13,151 were payable to the schemes at 31 August 2016 (2015 - £11,653) 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**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

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**21. PENSION COMMITMENTS (continued)**

The employer's pension costs paid to TPS in the period amounted to £75,605 (2015 - £61,099).

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £52,000 (2015 - £39,000), of which employer's contributions totalled £42,000 (2015 - £32,000) and employees' contributions totalled £10,000 (2015 - £7,000). The agreed contribution rates for future years are 36.1% for employers and 6% 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:

	<b>2016</b>	<b>2015</b>
Discount rate for scheme liabilities	<b>2.10 %</b>	<b>4.00 %</b>
Rate of increase in salaries	<b>3.30 %</b>	<b>3.80 %</b>
Rate of increase for pensions in payment / inflation	<b>2.30 %</b>	<b>1.90 %</b>
Inflation assumption (CPI)	<b>1.80 %</b>	<b>2.30 %</b>

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

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	<b>23.4</b>	<b>23.5</b>
Females	<b>25.9</b>	<b>25.8</b>
Retiring in 20 years		
Males	<b>25.8</b>	<b>25.6</b>
Females	<b>28.2</b>	<b>28.1</b>

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**21. PENSION COMMITMENTS (continued)**

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

	<b>Fair value at 31 August 2016 £000</b>	<i>Fair value at 31 August 2015 £000</i>
Equities	194	132
Other bonds	15	9
Property	10	-
Cash/liquidity	5	1
Other	8	5
	<u>232</u>	<u>147</u>
Total market value of assets	<u>232</u>	<u>147</u>

The actual return on scheme assets was £34,000 (2015 - £(1,000) loss).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2016 £000</b>	<b>2015 £000</b>
Current service cost (net of employee contributions)	(43)	(32)
Net interest cost	(8)	(11)
	<u>(51)</u>	<u>(43)</u>
Total	<u>(51)</u>	<u>(43)</u>
Actual return on scheme assets	<u>34</u>	<u>(1)</u>

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

	<b>2016 £000</b>	<b>2015 £000</b>
Opening defined benefit obligation	409	346
Current service cost	43	32
Interest cost	15	15
Contributions by employees	10	7
Actuarial losses	179	9
	<u>656</u>	<u>409</u>
Closing defined benefit obligation	<u>656</u>	<u>409</u>

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**21. PENSION COMMITMENTS (continued)**

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

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Opening fair value of scheme assets	147	108
Return on plan assets (excluding net interest on the net defined pension liability)	7	5
Actuarial gains and (losses)	27	(4)
Contributions by employer	42	32
Contributions by employees	10	7
Administration expenses	(1)	(1)
	<u>232</u>	<u>147</u>
Closing fair value of scheme assets	<u>232</u>	<u>147</u>

**22. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts payable:</b>		
Within 1 year	9	6
Between 1 and 5 years	4	6
	<u>13</u>	<u>12</u>
Total	<u>13</u>	<u>12</u>

**23. MEMBERS' LIABILITY**

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

**24. RELATED PARTY TRANSACTIONS**

During the year, the academy bought tree-cutting services from the son of a Governor, to the value of £60 (2015: £Nil).

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**ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**25. FIRST TIME ADOPTION OF FRS 102**

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

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

However, adjustments have been made to comparative disclosures for the Local Government Pension Scheme in note 23. The closing balance of the pension provision has not changed, but the movement within the year has been altered from the following:

Change in benefit obligation to 31 August 2015	
Benefit obligation at beginning of period	346,000
Current service costs	32,000
Interest on pension liabilities	15,000
Member contributions	7,000
Actuarial (gains)/losses on liabilities	9,000
Benefit obligation at end of period	409,000
Change in plan assets to 31 August 2015	
Fair value of plan assets at beginning of period	108,000
Expected return on plan assets	8,000
Actuarial losses on assets	(8,000)
Employer contributions	32,000
Member contributions	7,000
Fair value of plan assets at end of period	147,000

The net book value of land and buildings disclosed in the accounts are not considered to be materially different from their fair value, as required to be disclosed per the accounting standards under FRS102, and as such no revaluation has been required in these accounts. This is based on depreciated replacement cost remaining appropriate for the fair value.