



ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY

(A company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019

Members

Helen Yorke
Carol Nash
WDAT Corporate Member
Phillip Johnson

Governors

Alison Sims, Director Governor¹
Fi Cullerne, Director Governor, Headteacher and Accounting Officer
Phillip Johnson, Director Governor
Tony Matthews, Director Governor
Pat Lewis, Director Governor¹
Allan Foulds, Director Governor (appointed 13 May 2019)¹
Glyn Wise, Director Governor (appointed 22 May 2019)¹
Elizabeth Bessant, Director Governor (appointed 13 September 2019)
Timothy Reid, Director Governor (appointed 11 October 2019)
Gillian Maxim, Director Governor (appointed 11 October 2019)
Michael Hunter, Director Governor (appointed 13 October 2019)
Jennifer Batelen, Director Governor (appointed 13 October 2019)
Janette Sharp, Director Governor (appointed 28 October 2019)
Helen Yorke, Director Governor (resigned 19 September 2018)
Carol Nash, Director Governor (resigned 22 May 2019)
Matthew Day, Director Governor (resigned 11 November 2018)
Clare Bookham, Director Governor (resigned 12 July 2019)
Hannah Kent, Director Governor (resigned 19 September 2019)
Lorraine Cave-Browne-Cave, Director Governor (resigned 13 September 2018)
Katie Fisher, Director Governor (appointed 28 November 2018, resigned 11 October 2019)
Siani Driver, Director Governor (appointed 14 November 2018, resigned 2 August 2019)
Matthew Day, Director Governor (resigned 11 November 2018)
Laura Palmer, Director Governor (appointed 14 November 2018, resigned 13 January 2019)

¹ Pay Committee

Company registered number

07704001

Company name

St. Matthias Church of England Primary Academy

Principal and registered office

Cromwell Road
Malvern Link
Malvern
Worcestershire
WR14 1NA

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 2019**

Advisers (continued)

Headteacher

Fiona Cullerne

Key Management Personnel

Fiona Cullerne, Head Teacher
Virginia Beale, Deputy Head
Kaye James, Finance Secretary

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 Clark Rickerbys LLP
Ellenborough House
Wellington Street
Cheltenham
Gloucestershire
GL50 1YD

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2018 to 31st August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

	NOR	GIRLS	BOYS	SEND	EAL	Disadvantaged
St. Matthias	201	52%	48%	20.0	4.0	FSM 24.8 PP 36.8
*National 2017	279	53.1	46.9	13.5	20.7	FSM 13.7

The Trust operates an academy for pupils aged 4 to 11, serving a catchment area in and around Malvern. It has a pupil capacity of 210 Years R-6 and 26 Nursery places. In September 2019 it had 187 pupils Yr-6 plus 14 morning Nursery pupils on roll.

- 2019 national data not yet available
- The school runs an established Pre-School unit which provides an education for children from the term they become three years of age.
- 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 Pre-School unit to Year 6.
- Most pupils are from White British backgrounds. Data shows that pupils learning English as an additional language are making satisfactory to good progress.
- St. Matthias was judged as inadequate by Ofsted in June 2018.
- The SIAS inspection in November 2017 judged the St. Matthias to be an Outstanding Church School.
- The percentage of children currently eligible for Free School Meals from YN-Y6 is 24.8 %. This is more than the national average.
- The proportion of children supported by the pupil premium is 36.8% which 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. Early identification of need ensures rapid high quality provision personalised for these individuals. The school employs a specialist Speech and Language Therapist for one afternoon a week to: support specific children; provide training for individual TAs to ensure relevant programmes of support are in place for individuals and small groups; provide training for 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.
- The number of children entering and leaving the school in year groups R to 6 is higher than normal. From September 2018 to August 2019 the number of new children arriving was 10 and leaving was 14. This is a continued trend from previous years and continues to present some challenges regarding the closing of the attainment gap.

St. Matthias is committed to working collaboratively with schools in the 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).

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management

CONSTITUTION

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

The charitable company's Memorandum and Articles of Association are 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. The school is known locally as St. Matthias CE Primary School.

Details of the Governors who served throughout the year except as noted are included in the Reference and administrative details on page 1.

MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the 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, (as required in the academy funding agreement and articles of memorandum) for the debts and liabilities contracted before they ceased to be a member.

TRUSTEES'/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.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The Governing Body comprises 5 Members, 2 of which are appointed by The Worcester Diocesan Academies Trust and 1 by the Parochial Church Council. Remaining Members comprise the Chair of the Governing Body, and the Incumbent of the local parish by virtue of their position. These members are also Governors. From September 2017, in line with the Academies Financial Handbook 2017, no employee of the Trust is appointed as a member.

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 Articles of Association allow members to appoint up to 3 staff Governors in addition to the Principal although, in recognition of DfE guidance, they choose to appoint only the Principal as a Trustee (Governors) in order to retain clear lines of accountability through the senior school leader. 3 Parent Governors are 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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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 / Diocese. Governors are provided with copies of all the documents that they will need to undertake their role.

ORGANISATIONAL STRUCTURE

The day-to-day running of the Academy is delegated to the Senior Leadership Team (SLT), led by the Headteacher, Fiona Cullerne. 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.

Decisions on pay, financial spend over £10,000 and school policy are reserved for the Board of Trustees. 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 2019 there was a Teaching and Learning Working Party and a Pay Committee (with responsibility for the implementation of performance related pay and the Headteacher's appraisal) supporting the work of the full Governing Body. The working party and Pay Committee 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 is reviewed annually to ensure that the structure continues to effectively support the growth of the school.

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 details 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 C E Primary Academy, key management personnel include the Senior Leadership Team. With the exception of the Headteacher, 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 and follows the recommended Pay Policy used by Worcestershire County Council. There is consultation with Human Resources on all matters regarding staff salaries.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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 Pay Committee having regard to the results of the most recent appraisal carried out in accordance with the academy school's Appraisal 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 Pay Committee will consider whether there have been corresponding additions to the duties or responsibilities of other staff in the academy school.

RELATED PARTIES AND OTHER CHARITIES AND ORGANISATIONS

St. Matthias is committed to establishing and maintaining collaborative partnerships with other local schools and 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 has worked with MET Academy as part of improving leadership capacity and Haybridge High School as part of School Strategic Improvement.

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

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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.

ASPIRE	 <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 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 To help learners appreciate human achievements and aspirations and to believe in their own potential to achieve likewise To create a rich, happy, stimulating, caring learning environment where risk taking and challenge is encouraged 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>
BELIEVE	<p>To provide opportunities for all our learners to grow together intellectually, emotionally, in understanding, faith, cultural awareness and spiritual understanding To encourage all learners to develop their own interests, passions, enthusiasms, creativity and individuality 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 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 To equip our pupils with a clear understanding of and respect for their rights and the rights of others 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> 
ACHIEVE	 <p>To enable everyone to reach their personal best, academically and in other fields such as sport, arts and culture To encourage all learners to achieve through fully nurturing their own interests, passions, enthusiasms, creativity and individuality To provide all learners with the skills and understanding to live a healthy, successful life, physically, emotionally and spiritually To empower our children to love learning, seek challenges, value effort and persist in the face of obstacles To ensure learners are effective communicators, able to negotiate and resolve problems fairly 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 2019

OBJECTIVES, STRATEGIES AND ACTIVITIES

The main focus for the School Development Plan during this period was to raise standards of teaching and learning to good or better and to improve pupils' progress and attainment in Reading, Writing and Maths. The areas needing improvement are identified in the SDP and the improvement work has had an impact on pupil outcomes. These are the key headings from the SDP and they are similar ones in the Strategic School Improvement Fund: Delivering equity of outcomes for disadvantaged pupils.

The Action Plan is linked to the main improvement priorities from Ofsted are as follows:

1. Improve the quality of leadership and management
2. Improve pupils' achievement for all groups of pupils
3. Improve the quality of teaching so that it is consistently good or better
4. Externally review governance
5. Externally review pupil premium funding

Our strategies to facilitate this included;

- Identifying and supporting new leaders
- Monitoring of teaching and learning: Senior Leaders 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 groups
- High quality learning interventions provided to support children's learning journey
- The school improvement priorities were shared with stakeholders
- The school appointed a qualified advisor to provide school improvement support / advice
- Additional staff employed support individuals, reduce pupil : staff ratios and provide targeted teaching where there is an identified need
- Continued work with partner schools and 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.

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.

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.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Achievements and performance

Strategic report

End of Year Early Years Report;

EYFS	2013	2014	2015	2016	2017	2018	2019
Total Cohort	25	29	31	30	29	22	29
% Good Level of Development	40%	44.8%	51.6%	53.3%	55.2%	59%	66%

Year 1 Phonics	2014	2015	2016	2017	2018	2019
Total Cohort	30	29	30	30	27	26
Number who passed	20	23	25	24	23	14
Passed	67%	79%	83%	80%	85%	54%
National %	74%	77%	81%	81%	82.5	

Year 2 Phonics	2015	2016	2017	2018	2019
School % Passed	83%	93%	93%	93%	92%
National	90%	91%			

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Year 2 SATs				
Year	Reading	Writing	Maths	MRW
2016 (28)	63	50	67	50
2017 (30)	57 (Nat 75.5)	53 (Nat 69.9)	67 (Nat 76.1)	50 (Nat 65.1)
2018 (27)	63	56	63	56
2019 (26)	77 (Nat 75.0%)	73 (Nat 69.2%)	73 (Nat 75.7%)	65 (Nat 64.9%)

Year 6 SATs					
Year	Reading	Grammar	Writing*	Maths	MRW
2016 (25)	46%	50%	57%	29 %	29%
2017 (30)	47% (100.2)	63% (104.4)	57%	37% (100.1)	33% (101.2)
2018 (28)	61% (101) Nat 105	57% (102) Nat 106	54%	68% (101) Nat 104	54% (101.3)
2019 (25)	48%	52%	TA 60%	40%	36%

* Not directly comparable because of changes to writing assessment

There continues to be a significant number of vulnerable children attending St Matthias and the number of children eligible for free school meals was 24.8% and 36.8% are classified as disadvantage (Pupil Premium) at the time of the January Census. This, together with continued mobility presents challenges regarding closing the attainment gap. The school works hard to minimise turbulence however mobility has a detrimental effect on the learning of some more vulnerable pupils. Some cohorts have a high number of vulnerable pupils and there is an inconsistent profile of attainment across the school.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

KEY PERFORMANCE INDICATORS

The Academy uses a number of Key Performance Indicators to include;
Standards / School Development

Key Performance Indicators	Measures	Outcomes
1.School Aims and Values	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.	School aims in place and understood by school community and stakeholders.
2.School Christian Distinctiveness / SIAMS Reports	How well the school, through its distinctive Christian character, meets the needs of all learners.	St. Matthias is judged to be an Outstanding Church School SIAMS Inspection 2017
3.Ofsted Reports / Inspection Outcomes	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	Ofsted February 2014 School judged to be a good school in each aspect. Ofsted June 2018 inadequate
4. Pupil Numbers	Community opinion regarding the school	Majority of classes are almost full.
5. whole school data	Pupil Progress and Attainment and how well our pupils do within the local and national context.	Year R and 2 attainment and progress was higher than previous years. Y1 and Y6 had lower attainment and progress than previous years.
6.Pupil Premium Report	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.	Children entitled to Pupil Premium funding are well supported by a range of interventions and additional support.
7.SEND (including the Information Report, SEND Policy and Policy for Supporting Children with Medical Conditions)	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.	Children with additional needs are well supported by a range of interventions and additional support.
8.School Self Evaluation	How accurately the school evaluates current provision and make plans for continuous improvement	Strategic plans have been adjusted and external support enlisted.
9.Sports Premium Report	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.	Pupils' skill level in school sports is improving Increased number of children swimming 25m

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GOVERNORS' REPORT (continued)
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10. Whole School Policies, including; Positive Behaviour Policy Anti-Bullying Policy Complaints Policy	The effectiveness of school policies.	Policies are robust and fit for purpose
11. Curriculum Policies, including; English Policy Maths Policy Subject Policies Marking and Feedback Guidelines	These are available to all stakeholders on the school website and accurately reflect current practice.	Policies are robust and fit for purpose
12. Whole School Curriculum, including provision for Personal, Social, Health and Economic Education	How well the curriculum meets the needs of all learners	Whole school curriculum is engaging, memorable and broad
13. School Website	School information is accessible to parents. The school website must be compliant with current regulations.	Recent checks show the school website is compliant
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.	Governor aims and vision completed and on website
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.	Safeguarding is robust. External Checks include; Ofsted June 2018 Single Central Record and Safeguarding
16. Continual Professional Development Records	How well the school meets the professional development needs of all staff.	All staff have access to professional development opportunities and these inform everyday practice
17. Health and Safety Information	How well the school ensures due regard is given to keeping children safe within the school environment.	External advice is sought regarding Health and Safety and all advice is acted upon
18. Parent Questionnaires	How well the school is meeting the needs of parents and families.	The annual parent questionnaire shows the vast majority of parents are happy with the school Ofsted June 2018 parent questionnaire showed that parents support and are happy with the school
19. Attendance data	Attendance target is achieved. Parents aware of importance of attendance for children	Attendance is in line with national
20. Notional SEND budget	Spend monitored in delivering best outcomes for pupils with SEN and maximising agency support	Pupils with additional needs are better supported

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GOVERNORS' REPORT (continued)
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Financial Health

Key Performance Indicators	Measures	Outcomes
1.Budget Monitoring Reports / Budget Setting Report	Well thought through, balanced and showing a carry forward of approximately one month's running costs. Regularly reviewed by Governors as evidenced in minutes	Budget well planned and balances with a surplus of £60,000 to carry forward into 2019-2020
2.Annual Accounts	Unqualified, accurate, timely with no concerns highlighted by auditors. Accounts evidence best value processes.	Annual accounts record minor concerns which are remedied immediately
3.Business Plan (School Action Plan)	Takes school priorities evidenced by data into account. Actions are specific, accurately costed, planned within reasonable timescales and deliver impact for pupils.	School Action Plan is reviewed regularly and takes into account financial spend
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	Appropriate software allows for accurate predictions for a three year forecast
7.Risk Policy	All aspects of risks are carefully thought through with workable plans in place to minimize these.	School and Governors are aware of likely risks and plans are in place to mitigate these
8.Finance Policies	These are shared with all relevant stakeholders and accurately reflect current practice.	Policies are in place and adhered to

Ofsted Inspection Outcomes

Date	Ofsted Inspection Outcome
January 2009	Inadequate
July 2010	Satisfactory
July 2012	Good
February 2014	Good
June 2018	Inadequate

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GOVERNORS' REPORT (continued)
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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 also has an established Nursery.

	January 2016			January 2017			January 2018			January 2019		
Year	Girls	Boys	Total	Girls	Boys	Total	Girls	Boys	Total	Girls	Boys	Total
N	13	12	25	12	10	22	12	19	31	9	12	21
R	15	15	30	20	10	30	15	7	22	13	17	30
1	15	14	29	15	15	30	14	12	26	17	8	25
2	11	17	28	15	15	30	14	12	26	17	10	27
3	14	14	28	14	15	29	14	15	29	16	14	30
4	17	12	29	14	13	27	12	14	26	15	15	30
5	15	14	29	15	14	29	15	10	25	12	13	25
6	7	19	26	15	14	29	14	14	28	15	10	25
	107	117	224	120	106	226	110	103	213	114	99	213

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
2010 - 11	5.4%	94.6%
2011 - 12	5.3%	94.7%
2012 - 13	5.2%	94.8%
2013 - 14	4.6%	95.4%
2014 - 15	4.4%	95.6%
2015 - 16	4.6%	95.4%
2016 - 17	4.5%	96.0%
2017 - 18	4.5%	95.6%
2018 - 19	5.7%	94.3%

The absence target for 2018-2019 was set by Governors at 4%

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

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GOVERNORS' REPORT (continued)
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GOING CONCERN

After making appropriate enquiries, the Governing Body 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, note 1 of the financial statements.

Financial review

FINANCIAL REVIEW

The accounting period runs from 1st September 2018 to 31 August 2019. The majority of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2019 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 are now relatively stable. In addition, school income has not risen in line with inflation. This means spend has to be carefully planned. The Governors are committed to reducing costs where possible. The school operates before and after school wrap around care and any surplus from this is re-invested back into the school; its facilities and resources.

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 whilst ensuring that excessive funds are not accumulated.

The Governors review the resources of the Academy to ensure there are sufficient reserves to protect against possible reductions in the funding. The reserves are held in line with the DfE guidelines.

The policy will aim to carry forward sufficient funds to meet the Academy's long term aims and objectives, ensuring that this does not affect its current operational activities.

Excluding the pension scheme liability and capital funds, the academy funds carried forward as at 31st August 2019 are a surplus of £53,000 (2018 - £110,000).

The academy also has a pension scheme deficit in respect of the local Government Pension Scheme of (£563,000) (2018 - (£334,000)). The liability is included in restricted reserves and the academy will have to meet any long term liability out of restricted reserves. In order to repay the deficit, employer contributions will be 40.6% (2018 - 30.9%). In addition, in order to protect the fund, phased lump sum deficit contributions have been scheduled over the next five years at an average of £13,908 per annum. It is anticipated that the recovery period is 20 Years. 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.

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

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

INVESTMENT POLICY

The Headteacher and Finance Secretary together with Full Governing Body will ensure that any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment strategy.

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 Governors

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. 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. 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.
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. Close contact with Worcestershire Safeguarding Board who supply regular updates and provide instant advice when necessary.
Trustee risk	Trustees without required expertise	Ensure governors receive regular training. Option to co-opt Governors with specific expertise onto Governing Body.

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

A Risk Management strategy has been adopted by the Governors and a Risk Register compiled following a thorough review of all risks perceived by the Governors and SLT to the academy. These risks are kept under review by the SLT and Resource and Audit Committee. External auditors have been appointed and the Academy Finance Policy was reviewed to ensure its continued appropriateness for the Academy. The principle risks and uncertainties for the company currently relate to the potential impact of changes in the funding formula and the development of effective systems to support the longer term financial planning. These are key areas of financial concern and risk. The Academy is not expecting significant reduction in funding and the exposure to financial risks are minimised as the Academy has a positive bank balance and has no significant levels of debtors or creditors.

Governors are aware of the pension scheme deficit and rely on the expertise of the actuary and investment fund managers to ensure that risks are mitigated and the deficit reduced. In the event of a shortfall, the scheme is fully backed by the Government.

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

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 the academic year. The school considers improving the quality of teaching and learning to raise attainment across Reading, Writing and Mathematics as the key priority. The school will to work towards the Ofsted targets highlighted in the June 2018 inspection, namely to;

1. Improve the quality of leadership and management
2. Improve pupils' achievement for all groups of pupils
3. Improve the quality of teaching so that it is consistently good or better
4. Externally review governance
5. Externally review pupil premium funding

FUNDS HELD AS CUSTODIAN

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

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governors have 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.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 9/12/19 and signed on its behalf by:



Rev Phillip Johnson
Chair of Trustees

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNANCE STATEMENT

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 18 Governors. 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, 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 11 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
Alison Sims, Director Governor	7	11
Fi Cullerne, Director Governor, Headteacher and Accounting Officer	11	11
Phillip Johnson, Director Governor	10	11
Tony Matthews, Director Governor	9	11
Pat Lewis, Director Governor	8	11
Allan Foulds, Director Governor	3	3
Glyn Wise, Director Governor	3	3
Elizabeth Bessant, Director Governor	0	0
Timothy Reid, Director Governor	0	0
Gillian Maxim, Director Governor	0	0
Michael Hunter, Director Governor	0	0
Jennifer Batelen, Director Governor	0	0
Janette Sharp, Director Governor	0	0
Helen Yorke, Director Governor (resigned)	1	1
Clare Bookham, Director Governor (resigned)	9	10
Carol Nash, Director Governor (resigned)	6	8
Siani Driver, Director Governor	3	5
Katie Fisher, Director Governor	3	10
Siani Driver, Director Governor	5	9
Matthew Day, Director Governor (resigned)	0	1
Laura Palmer, Director Governor (resigned)	1	2

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNANCE STATEMENT (continued)

During 2018/19, 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 initiated a review of Governor roles, school visits and the degree of challenge afforded the Senior Leaders. A key role was assigned to each Governor with the expectation that that Governor would undertake an appropriate number of school visits and submit a valid report.

The Pay Committee is a sub-committee of the main Board of Governors. Its purpose is to conduct an annual review of Appraisal / Pay policies, to oversee the performance management of the Headteacher and to decide on the pay recommendations for teachers put forward by the Headteacher.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Alison Sims, Director Governor	1	1
Pat Lewis, Director Governor (resigned)	1	1
Carol Nash, Director Governor (resigned)	1	1

The Resources Committee met once during 2018/19 before activity was amalgamated into the work of the full Trust Board.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Fi Cullerne, Director Governor	1	1
Matthew Day, Director Governor (resigned)	1	1
Clare Bookham, Director Governor (resigned)	1	1
Tony Matthews, Director Governor	0	1
Pat Lewis, Director Governor (resigned)	1	1

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 2018.

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNANCE STATEMENT (continued)

Skill	Professional / Amateur level of experience
Health and Safety	9/10
Presentation and Training	8/10
Mediating	8/10
Strategic Planning	9/10
Research	10/10
Languages	4/10
Art and Design	3/10
Legal Knowledge	6/10
Financial Planning	9/10
Contracting Service	5/10
ICT	8/10
Marketing	8/10
Project Management	8/10
Public Relations	8/10
Human Resources	7/10
Chairmanship of Meetings	9/10

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNANCE STATEMENT (continued)

Knowledge	Good / Excellent level of knowledge
Keystage 1 & 2 Curriculum	4/10
School Financial Management	7/10
Best Value	6/10
Personnel Management – General	6/10
Personnel Management – Performance Management	6/10
Personnel Management – Recruitment / interviewing	7/10
Equal Opportunities	8/10
Awareness of sources of information about the school	6/10

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.

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'

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:

1. 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.

2. 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.

3. 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

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNANCE STATEMENT (continued)

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.
- 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 ASP and other relevant key performance indicators. This information is summarised in the School Evaluation (SEF) document which is updated on a termly basis.

From this, School Action Plan (RAPP) is put in place to capture our aspirations. The RAPP identifies key areas for improvement and establishes a 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 RAPP 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 Action Plan alongside subject raising attainment plans inform 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.

In order to make more rapid progress, Action Plan and Raising Attainment plans will be in September reviewed every six weeks in order to set clear priorities for improvement in English and Mathematics. Governors will hold the Senior Leaders to account.

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GOVERNANCE STATEMENT (continued)

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 available.

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. ASP, 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

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNANCE STATEMENT (continued)

- 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

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 2018 to 31 August 2019 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

- significantly improved comprehensive budgeting and monitoring systems with an annual budget;
- regular reviews by the Governors of reports which indicate financial performance against the forecasts and of major purchase plans, contracts and expenditure programmes;
- setting targets to measure financial and other performance;
- regular financial reports which are reviewed and agreed by the Governors;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has implemented a reciprocal audit arrangement via the finance secretary of Suckley School. It is felt that this together with the Annual External Audit provides a robust review of the processes in place. The role includes performing a range of checks on the Academy's financial systems. 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
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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- feedback from the Resource and Audit Committee. The structure of the Committee is such that it has as a remit to cover Finance, Staffing, Premises and Resources thereby ensuring all decisions that have a financial impact on the Academy are taken together;
- feedback from the Finance Secretary and the Chair of the Resource and Audit Committee.

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.

Through the above feedback mechanisms no significant internal control issues were identified.

Approved by order of the members of the Board of Trustees on 9/12/19 and signed on their behalf, by:


Rev Phillip Johnson
Chair of Trustees


Fi Cullerne
Accounting Officer

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, 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.

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.

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

- Alcohol was purchased using the Academy charge card as a gift for a departing Governor in the period. The transaction was of low value and is not considered to be excessive.



Fi Cullerne, Director Governor and Headteacher
Accounting Officer

ST. MATTHIAS CHURCH OF ENGLAND PRIMARY ACADEMY
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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees, who act as Governors of St Matthias CE Primary Academy, and are also directors of the charitable company for the purposes of company law are responsible for preparing the Trustees' Annual Report including the Strategic Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction published by the Education Funding Agency.

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP [2005 / 2015] ;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education Funding Agency and Department for Education have been applied for the purposes intended.

In so far as the trustees are aware:

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

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

Approved by order of the members of the Board of Trustees on 9/12/19 and signed on its behalf by:



Rev Phillip Johnson
Chair of Trustees

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

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

OPINION

We have audited the financial statements of St. Matthias Church of England Primary Academy (the 'Academy') for the year ended 31 August 2019 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the 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, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

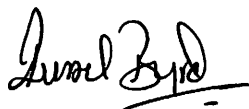
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

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



Russel Byrd, FCA FCCA (Senior statutory auditor)

for and on behalf of

Randall & Payne LLP

Chartered Accountants & Statutory Auditors

Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date: 11th December 2019

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

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

In accordance with the terms of our engagement letter dated 16 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St. Matthias Church of England Primary Academy during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St. Matthias Church of England Primary Academy and the ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St. Matthias Church of England Primary Academy and the ESFA, 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 ACCOUNTANT**

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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

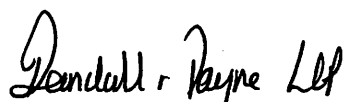
The work undertaken during the audit included:

- 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, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

One item of irregular expenditure was identified in the year relating to the purchase of alcohol as a gift for a departing governor. This is considered to be an isolated incident and is not considered to be excessive in value.



Randall & Payne LLP
Chartered Accountants & Statutory Auditors
Chargrove House
Shurdington Road
Cheltenham
Gloucestershire
GL51 4GA

Date: 11th December 2019

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 2019**

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
INCOME FROM:						
Donations and capital grants	2	-	2	16	18	46
Charitable activities	3	30	1,054	-	1,084	1,162
Other trading activities	4	1	-	-	1	1
TOTAL INCOME		31	1,056	16	1,103	1,209
EXPENDITURE ON:						
Charitable activities		7	1,148	36	1,191	1,181
TOTAL EXPENDITURE	7	7	1,148	36	1,191	1,181
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	24	(92)	(20)	(88)	28
		-	(23)	23	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		24	(115)	3	(88)	28
Actuarial gains/(losses) on defined benefit pension schemes	22	(196)	-	-	(196)	87
NET MOVEMENT IN FUNDS		(172)	(115)	3	(284)	115
RECONCILIATION OF FUNDS:						
Total funds brought forward		11	(234)	980	757	642
TOTAL FUNDS CARRIED FORWARD		(161)	(349)	983	473	757

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	£000	2019 £000	£000	2018 £000
FIXED ASSETS					
Tangible assets	14		983		968
CURRENT ASSETS					
Debtors	15	29		46	
Cash at bank and in hand		97		174	
		<u>126</u>		<u>220</u>	
CREDITORS: amounts falling due within one year	16	(63)		(86)	
NET CURRENT ASSETS			<u>63</u>		<u>134</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,046</u>		<u>1,102</u>
CREDITORS: amounts falling due after more than one year	17		<u>(10)</u>		<u>(11)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>1,036</u>		<u>1,091</u>
Defined benefit pension scheme liability	22		<u>(563)</u>		<u>(334)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>473</u></u>		<u><u>757</u></u>
FUNDS OF THE ACADEMY					
Restricted fixed asset funds:					
Restricted income funds	18	18		100	
Restricted fixed asset funds	18	983		980	
		<u></u>		<u></u>	
Restricted income funds excluding pension liability		1,001		1,080	
Pension reserve		<u>(563)</u>		<u>(334)</u>	
Total restricted fixed asset funds			<u>438</u>		<u>746</u>
Unrestricted income funds	18		<u>35</u>		<u>11</u>
TOTAL FUNDS			<u><u>473</u></u>		<u><u>757</u></u>

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

BALANCE SHEET (continued)
AS AT 31 AUGUST 2019

The financial statements on pages 34 to 58 were approved by the Governors, and authorised for issue, on 9/12/19 and are signed on their behalf, by:



Rev Phillip Johnson, Chair of Trustees



Fi Cullerne, Headteacher and Accounting Officer

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(43)	67
Cash flows from investing activities:			
Purchase of tangible fixed assets		(51)	(21)
Capital grants from DfE Group		17	38
Capital funding received from sponsors and others		-	2
Net cash (used in)/provided by investing activities		(34)	19
Cash flows from financing activities:			
Cash inflows from new borrowing		-	11
Net cash provided by financing activities		-	11
Change in cash and cash equivalents in the year		(77)	97
Cash and cash equivalents brought forward		174	77
Cash and cash equivalents carried forward	21	97	174

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

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

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 funders where the asset acquired or created is held for a specific purpose.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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 receipt is probable and it is measurable.

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

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

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.

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

All expenditure is inclusive of irrecoverable VAT.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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 and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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.

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

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:

Leasehold property	-	50 years straight line
Furniture and fixtures	-	5 years straight line
Computer equipment	-	3-6 years straight line

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

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 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.13 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Academy 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 22, 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.

Land and buildings are capitalised in the financial statements despite being held under license rather than by lease, by virtue of the fact that the academy has full use of the premises and is liable for its upkeep.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	-	2	-	2	8
Capital Grants	-	-	16	16	38
	-	2	16	18	46
<i>Total 2018</i>	-	6	40	46	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Educational Operations Direct	-	1,027	1,027	1,106
Activities for Generating Funds	30	27	57	56
	<u>30</u>	<u>1,054</u>	<u>1,084</u>	<u>1,162</u>
<i>Total 2018</i>	<u>25</u>	<u>1,137</u>	<u>1,162</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants				
General Annual Grant	-	809	809	858
Other DfE/ESFA Grants	-	113	113	143
Special Educational Projects	-	13	13	2
Pupil Premium	-	92	92	103
	<u>-</u>	<u>1,027</u>	<u>1,027</u>	<u>1,106</u>
<i>Total 2018</i>	<u>-</u>	<u>1,106</u>	<u>1,106</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Music & Swimming Income	1	-	1	1
	<u>1</u>	<u>-</u>	<u>1</u>	
<i>Total 2018</i>	<u>1</u>	<u>-</u>	<u>1</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. DIRECT COSTS

	Educational Operations £000	Activities for Generating £000	Total 2019 £000	Total 2018 £000
Pension income	-	-	-	8
Educational Supplies	123	-	123	73
Staff Development	6	-	6	9
Other Direct Costs	63	-	63	65
Educational Visits Costs	-	7	7	11
Wages and salaries	624	-	624	608
National insurance	49	-	49	45
Pension cost	92	-	92	89
Depreciation	37	-	37	38
	994	7	1,001	946
<i>Total 2018</i>	<i>935</i>	<i>11</i>	<i>946</i>	

6. SUPPORT COSTS

	Educational Operations £000	Total 2019 £000	Total 2018 £000
Pension income	9	9	-
Insurance	4	4	4
Catering	34	34	36
Other Support Costs	13	13	58
Wages and salaries	21	21	24
National insurance	4	4	3
Pension cost	105	105	110
	190	190	235
<i>Total 2018</i>	<i>235</i>	<i>235</i>	

During the year ended 31 August 2019, the Academy incurred the following Governance costs:
£8,565 (2018 - £7,970) included within the table above in respect of Governance.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. EXPENDITURE

	Staff costs 2019 £000	Premises 2019 £000	Other costs 2019 £000	Total 2019 £000	Total 2018 £000
Educational Operations:					
Direct costs	766	-	228	994	935
Support costs	130	-	60	190	235
Activities for Generating:					
Direct costs	-	-	7	7	11
	<u>896</u>	<u>-</u>	<u>295</u>	<u>1,191</u>	<u>1,181</u>
<i>Total 2018</i>	<u>878</u>	<u>65</u>	<u>238</u>	<u>1,181</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets:		
- owned by the charity	37	38
Auditors' remuneration - audit	6	6
Auditors' remuneration - other services	3	3
Operating lease rentals	5	9
	<u>51</u>	<u>56</u>

9. GOVERNORS' REMUNERATION AND EXPENSES

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. 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:

	2019 £000	2018 £000
F Cullerne, Head Teacher/Accounting Officer	60-65	60-65
	10-15	10-15
M Worthington, Staff Governor		40-45
		5-10

During the year ended 31 August 2019, total expenses of £101 (2018: £396) were paid to Staff Governors for expenses incurred in their respective roles as staff members.

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10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2019	2018
	£000	£000
Wages and salaries	605	607
Social security costs	53	49
Other pension costs	198	199
	856	855
Agency staff costs	40	23
	896	878

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	9	10
Administration and support	20	27
Management	2	3
	31	40

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	1	1

1 (2018: 1) of the above employees participated in the Teacher's Pension Scheme. During the period ended 31 August 2019, pension contributions for these staff amounted to £10,515 (2018: £10,109).

d. Key management personnel

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 £178,790 (2018: £208,508).

11. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £5,950 (2018 - £5,550) and non-audit services of £2,635 (2018 - £2,250).

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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 2019 was contained within the total cost of the RPA agreement and is not separable.

13. OTHER FINANCE INCOME

	2019 £000	2018 £000
Interest income on pension scheme assets	13	9
Interest on pension scheme liabilities	(22)	(17)
	<u>(9)</u>	<u>(8)</u>

14. TANGIBLE FIXED ASSETS

	Leasehold property £000	Furniture and fixtures £000	Computer Equipment £000	Total £000
Cost				
At 1 September 2018	1,071	82	59	1,212
Additions	26	25	-	51
At 31 August 2019	<u>1,097</u>	<u>107</u>	<u>59</u>	<u>1,263</u>
Depreciation				
At 1 September 2018	126	65	53	244
Charge for the year	20	12	4	36
At 31 August 2019	<u>146</u>	<u>77</u>	<u>57</u>	<u>280</u>
Net book value				
At 31 August 2019	<u>951</u>	<u>30</u>	<u>2</u>	<u>983</u>
At 31 August 2018	<u>945</u>	<u>17</u>	<u>6</u>	<u>968</u>

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14. TANGIBLE FIXED ASSETS (continued)

Included in land and buildings is Leasehold land at cost of £77,573 (2018 - £77,573), which is not depreciated.

Where the Trust has been granted use of school buildings from the Diocese of Worcester under a Supplemental Agreement, the Academies Accounts Direction indicates that where the Academy Trust concludes it has control over access and works of the land and buildings they can be recognised as an asset. The land and buildings have been included within the long-term property of the Trust as the Diocese of Worcester are currently not exerting control over the assets.

The Supplemental Agreements include the right for the Diocese of Worcester trustees to give not less than 2 years written notice to the Trust and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements. In addition, no restrictive access or restrictions on work has occurred in the financial year.

15. DEBTORS

	2019 £000	2018 £000
Trade debtors	3	5
Other debtors	5	5
Prepayments and accrued income	21	36
	<u>29</u>	<u>46</u>

16. CREDITORS: Amounts falling due within one year

	2019 £000	2018 £000
Other loans	2	1
Trade creditors	12	6
Other taxation and social security	24	29
Accruals and deferred income	25	50
	<u>63</u>	<u>86</u>

	2019 £000	2018 £000
Deferred income		
Deferred income at 1 September 2018	20	20
Resources deferred during the year	14	13
Amounts released from previous years	(20)	(20)
Deferred income at 31 August 2019	<u>14</u>	<u>13</u>

At the balance sheet date the Academy had received funds for UIFSM of £14,148 for the 2019/20 period.

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17. CREDITORS: Amounts falling due after more than one year

	2019 £000	2018 £000
Other loans	10	11

Creditors include amounts not wholly repayable within 5 years as follows:

	2019 £000	2018 £000
Repayable by instalments	4	5

A Salix loan totalling £12,117 was granted during the year ended 31 August 2018. This is repayable in 16 instalments over 8 years.

18. STATEMENT OF FUNDS

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
Other General Funds	11	7	(7)	24	-	35
Whizz Kids	-	17	-	(17)	-	-
School visits	-	6	-	(6)	-	-
Music / Swimming	-	1	-	(1)	-	-
	<u>11</u>	<u>31</u>	<u>(7)</u>	<u>-</u>	<u>-</u>	<u>35</u>
Restricted funds						
GAG	90	809	(858)	(23)	-	18
Pupil Premium	-	92	(92)	-	-	-
DfE/ESFA Grants	10	32	(42)	-	-	-
Local Authority Grants	-	94	(94)	-	-	-
Donations	-	2	(2)	-	-	-
Insurance Reclaims	-	4	(4)	-	-	-
Erasmus Grant	-	1	(1)	-	-	-
Other income	-	22	(22)	-	-	-
Pension reserve	(334)	-	(33)	-	(196)	(563)
	<u>(234)</u>	<u>1,056</u>	<u>(1,148)</u>	<u>(23)</u>	<u>(196)</u>	<u>(545)</u>

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18. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	967	-	(36)	52	-	983
Devolved Formula Capital	-	16	-	(16)	-	-
Healthy Pupil Capital Fund						
Grant - Playground	11	-	-	(11)	-	-
Council Donation	2	-	-	(2)	-	-
	<u>980</u>	<u>16</u>	<u>(36)</u>	<u>23</u>	<u>-</u>	<u>983</u>
Total restricted funds	<u>746</u>	<u>1,072</u>	<u>(1,184)</u>	<u>-</u>	<u>(196)</u>	<u>438</u>
Total of funds	<u>757</u>	<u>1,103</u>	<u>(1,191)</u>	<u>-</u>	<u>(196)</u>	<u>473</u>

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

The restricted general fund includes grants receivable from the ESFA, 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.

Donations are those received by the academy with specified terms attached to them.

Insurance reclaims relate to reimbursement of staff absence costs.

Grant funding is received for the school's participation in the Erasmus programme and is to be used for related costs to this.

Where unrestricted general funds are not allocated costs in the year, income is recorded and then treated as a full transfer to restricted funds at the year end.

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

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
General funds						
General pool	36	-	-	(1)	-	35
Whizz Kids	-	15	-	(15)	-	-
Music / Swimming	-	1	-	(1)	-	-
School visits	-	10	(11)	1	-	-
Other general fund	-	-	(25)	-	-	(25)
	<u>36</u>	<u>26</u>	<u>(36)</u>	<u>(16)</u>	<u>-</u>	<u>10</u>

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18. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant	-	858	(792)	24	-	90
Pupil Premium	-	103	(103)	-	-	-
DfE/ESFA Grants	-	145	(135)	-	-	10
Donations	-	6	(6)	-	-	-
Insurance Reclaims	-	5	(5)	-	-	-
Erasmus Grant	-	15	(15)	-	-	-
Other income	-	11	(11)	-	-	-
Pension reserve	(380)	-	(41)	-	87	(334)
	<u>(380)</u>	<u>1,143</u>	<u>(1,108)</u>	<u>24</u>	<u>87</u>	<u>(234)</u>

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	986	-	(38)	19	-	967
Devolved Formula Capital	-	6	-	(6)	-	-
Healthy Pupil Capital Fund Grant	-	32	-	(21)	-	11
Council Donation	-	2	-	-	-	2
	<u>986</u>	<u>40</u>	<u>(38)</u>	<u>(8)</u>	<u>-</u>	<u>980</u>
Total restricted funds	<u>606</u>	<u>1,183</u>	<u>(1,146)</u>	<u>16</u>	<u>87</u>	<u>746</u>
Total of funds	<u>642</u>	<u>1,209</u>	<u>(1,182)</u>	<u>-</u>	<u>87</u>	<u>756</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	982	982
Current assets	36	92	-	128
Creditors due within one year	-	(64)	-	(64)
Creditors due in more than one year	-	(10)	-	(10)
Provisions for liabilities and charges	-	(563)	-	(563)
	<u>35</u>	<u>(545)</u>	<u>983</u>	<u>473</u>

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19. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2018 £000</i>	<i>2018 £000</i>	<i>2018 £000</i>	<i>2018 £000</i>
Tangible fixed assets	-	-	969	969
Current assets	36	172	11	219
Creditors due within one year	-	(86)	-	(86)
Creditors due in more than one year	-	(11)	-	(11)
Provisions for liabilities and charges	(25)	(309)	-	(334)
	<u>11</u>	<u>(234)</u>	<u>980</u>	<u>757</u>

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

	2019 £000	2018 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(88)	28
Adjustment for:		
Depreciation charges	36	38
Decrease/(increase) in debtors	17	(25)
(Decrease)/increase in creditors	(13)	25
Capital grants from DfE and other capital income	(28)	(40)
Defined benefit pension scheme cost less contributions payable	33	41
Net cash (used in)/provided by operating activities	<u>(43)</u>	<u>67</u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £000	2018 £000
Cash in hand	97	174
Total	<u>97</u>	<u>174</u>

22. 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-

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22. PENSION COMMITMENTS (continued)

employer defined benefit pension schemes.

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

Contributions amounting to £12,163 were payable to the schemes at 31 August 2019 (2018 - 15,858) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £60,821 (2018 - £59,686).

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).

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22. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £69,000 (2018 - £67,000), of which employer's contributions totalled £55,000 (2018 - £53,000) and employees' contributions totalled £14,000 (2018 - £14,000). The agreed contribution rates for future years are 30.9% 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:

	2019	2018
Discount rate for scheme liabilities	1.80 %	2.80 %
Rate of increase in salaries	3.60 %	3.60 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	2.10 %	2.10 %

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22. PENSION COMMITMENTS (continued)

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

	2019	2018
Retiring today		
Males	22.8	22.7
Females	25.8	25.7
Retiring in 20 years		
Males	25.1	24.9
Females	28.2	28.0

	At 31 August 2019 £000	At 31 August 2018 £000
Sensitivity analysis		
Discount rate +0.1%	(22)	14
Mortality assumption - 1 year increase	19	(13)
CPI rate +0.1%	23	(15)

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	379	338
Other bonds	27	20
Government bonds	40	35
Cash/liquidity	15	9
Property	32	21
Other	41	16
Total market value of assets	534	439

The actual return on scheme assets was £21,000 (2018 - £24,000).

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22. PENSION COMMITMENTS (continued)

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

	2019 £000	2018 £000
Current service cost	(78)	(85)
Interest income	13	9
Interest cost	(22)	(17)
Admin expenses	(1)	(1)
	<u>(88)</u>	<u>(94)</u>
Total	<u>(88)</u>	<u>(94)</u>
Actual return on scheme assets	<u>21</u>	<u>24</u>

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

	2019 £000	2018 £000
Opening defined benefit obligation	773	705
Current service cost	78	85
Interest cost	22	17
Employee contributions	14	14
Actuarial losses/(gains)	204	(72)
Benefits paid	6	24
	<u>1,097</u>	<u>773</u>
Closing defined benefit obligation	<u>1,097</u>	<u>773</u>

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

	2019 £000	2018 £000
Opening fair value of scheme assets	439	325
Interest income	13	9
Actuarial losses	8	15
Employer contributions	55	53
Employee contributions	14	14
Administration expenses	(1)	(1)
Benefits/transfers paid	6	24
	<u>534</u>	<u>439</u>
Closing fair value of scheme assets	<u>534</u>	<u>439</u>

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23. OPERATING LEASE COMMITMENTS

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

	2019	2018
	£000	£000
Amounts payable:		
Within 1 year	3	4
Between 1 and 5 years	3	5
	<hr/>	<hr/>
Total	6	9
	<hr/> <hr/>	<hr/> <hr/>

24. 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.

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

There were no transactions with related parties in the year to 31 August 2019 (2018: £nil).