

Company Registration Number: 07566505 (England & Wales)

ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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ST MARGARET'S ACADEMY
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REFERENCE AND ADMINISTRATIVE DETAILS

Members & Trustees	Mr J Dickson, Chair of Trustees ³ Mrs L Phillips ¹ Mr M Key ^{2,3}
Trustees	Mr R Hill ^{2,3} Mr T Hughes, Headteacher (appointed 1 January 2019) ^{1,2,3} Mrs S Stell, Headteacher (resigned 31 December 2018) ^{1,2,3} Mr J Cree ¹ Mr J Bennett ¹ Mr R Whiffin (appointed 18 July 2019) Mrs B McPhail (resigned 31 March 2019) ^{2,3} Mrs C Ashworth (appointed 22 November 2018) Mrs S Pike, Staff Trustee ^{1,2,3} Mrs N Turner, Staff Trustee ¹ Miss C Reader (resigned 1 September 2018) ^{1,2,3} Mr S Kane (appointed 20 November 2019)

- ¹ Educational Standards Committee
- ² Staff Committee/Pay Committee
- ³ Finance Committee/Audit Committee

Company registered number

07566505

Company name

St Margaret's Academy

Principal and Registered office

Barewell Road
Torquay
Devon
TQ1 4PA

Company secretary

K Colmer

Accounting officer

S Stell (until 31/12/2018)
T Hughes (from 01/01/2019)

Senior management team

Mrs S Stell, Headteacher (until 31/12/2018)
Mr T Hughes, Headteacher (from 01/01/2019)
Mrs S Pike, Deputy Headteacher
Miss C Wooldridge, Assistant Headteacher
Mrs N Turner, Assistant Headteacher
Mr L Marchant, Assistant Headteacher
Mr A Robinson, Senior Lead
Mrs Leanna Russell, Reception Lead
Mrs K Colmer, Business Manager

Independent auditors

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Century House
Nicholson Road
Torquay
TQ2 7TD

**ST MARGARET'S ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Bankers Lloyds Bank plc
 2 Palace Avenue
 Paignton
 Devon
 TQ3 3ER

Solicitors Kitsons
 Minerva House
 Orchard Way
 Edginswell Park
 Torquay
 Devon
 TQ2 7FA

**ST MARGARET'S ACADEMY
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

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

The Trust operates an academy for pupils aged 4 to 11 in Torquay. It has a pupil capacity of 420 and had a roll of 418 in the school census on 23 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of St Margaret's Academy are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy. The limit of this indemnity is £10 million.

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 £2 million on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 April 2011 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees comprises the Headteacher, a minimum of 2 Parent Trustees, 2 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 6 other Trustees.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**ST MARGARET'S ACADEMY
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training policy available on the Governors shared drive.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff. All Trustees can access copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term with an additional meeting for the Annual General Meeting. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

To maintain effective oversight of fund a google shared drive has been set up for governors to access, where they can review monthly management reports budget updates, and view correspondence from the ESFA.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

There are 3 committees as follows:

- Finance/Audit Committees this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- Educational Standards Committee - this meet at least three times a year and is responsible for ensuring that the school follows the National and School Curriculum; that academic and behaviour standards are met and improved; that target setting, mentoring, monitoring and evaluation takes place; that policies delegated to the Committee by the Governing Body are developed and reviewed and that the special educational needs of children are met.
- Staff Committee/Pay Committee - this meets annually to oversee some staff related matters in the SDP, from staff development and Inset to staff morale and well-being - for support staff as well as teaching staff. The review will take place before the Governing Body determines the budget for the following year so as to take account of any recommendations by the Committee which carry financial implications.
-

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The SLT comprises the Headteacher, Deputy Headteacher, three Assistant Headteachers, Senior Lead Teacher and the Business Manager. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees and the Senior Leadership Team. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees have overall responsibility of the Academy but the Senior Leadership Team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings.

The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of St Margaret's Academy.

**ST MARGARET'S ACADEMY
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance, for the public benefit, education in the United Kingdom, offering a broad range of curriculum for pupils of different abilities.

The principal object and activity of the Charitable Company is the operation of St Margaret's Academy to provide free education and care for pupils of different abilities between the ages of 4 and 11.

The aims of the Academy during the year ended 31 August 2019 are summarised below:

- to develop the provision of Nurture and Attachment
- to continue to raise the standard of educational attainment and achievement of all pupils
- to explore and start to plan for a new curriculum
- to expand the use of the Academy's grounds to support higher pupil engagement
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the organisational structure under continual review
- to provide value for money for the funds expended
- to develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At St Margaret's Academy we structure our learning around our core values of respect, aspiration, kindness and responsibility.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

- The Academy was last inspected by OFSTED in September 2017 and was judged to be Good
- To ensure that standards are continually assessed the Academy operates a monitoring programme which includes lesson observations, works scrutiny and pupil progress meetings which are undertaken by the Senior Leadership Team.
- The Academy has used Pupil Premium money to retain an experienced Special Needs Teacher, and Teaching Assistants to deliver intervention strategies to pupils. It has also supported extra-curricular activities such as residentials and music lessons.
- Continued Professional Development has enabled Teachers and Teaching Assistants to keep up to date with constant educational changes.
- Foundation Stage Outdoor Learning Area
- Replacement Hall Roof
- Clevertouch Plus Screens
- Replacement fencing outside KS1
- Replaced carpets in three classrooms
- Running Track
- Alarm installation

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

A summary of the school's outcomes reported nationally for 2018 - 2019 are as follows:

Foundation Stage

Outcomes at the end of Reception are consistently slightly below national year on year. Outcomes for disadvantaged dipped in 2019. However, pupils make good progress from very low starting points on their entry to the school.

	Good Level of Development (GLD) All Pupils						Good Level of Development (GLD) Disadvantaged					
	2017		2018		2019		2017		2018		2019	
	Scho ol	Natio nal	Scho ol	Natio nal	Scho ol	Natio nal	Scho ol	Natio nal	Scho ol	Natio nal	Scho ol	Natio nal
Reception	65%	71%	60%	72%	60%	72%	55%	57%	60%	57%	50%	57%

Phonic Screening Check

Year 1 standards in phonics continue to be in-line with national. Disadvantaged pupils continue to do better than their peers for 3 consecutive years.

Year 2 standards dipped sharply in 2019 (see below for explanation). A new phonics scheme introduced this year will help reverse this Year 2 dip.

	Phonics – All Pupils						Phonics Disadvantaged					
	2017		2018		2019		2017		2018		2019	
	Scho ol	Natio nal	Scho ol	Natio nal	Scho ol	Natio nal	Scho ol	Natio nal	Scho ol	Natio nal	Scho ol	Natio nal
Year 1	90%	81%	82%	83%	81%	82%	82%	70%	86%	72%	82%	71%
Year 2	75%	62%	60%	61%	27%	56%	75%	56%	100%	55%	0%	50%

KS1 Outcomes

Standards at the end of KS1 show a significant dip in 2019 in Maths, Writing especially, in all three subjects combined and for disadvantaged pupils. There were significant behaviour challenges in this cohort which impacted negatively on outcomes. We predict outcomes in 2020 will see a return to being in-line with national. Year 2 improvement is one of our top 3 improvement areas for 2019-2020.

	KS1 Attainment – All Pupils						KS1 Disadvantaged					
	2017		2018		2019		2017		2018		2019	
	Scho ol	Natio nal	Scho ol	Natio nal	Scho ol	Natio nal	Scho ol	Natio nal	Scho ol	Natio nal	Scho ol	Natio nal
Reading	72%	76%	75%	75%	72%	75%	75%	63%	59%	62%	56%	62%
Maths	68%	75%	73%	76%	63%	76%	67%	62%	53%	63%	44%	62%
Writing	62%	68%	65%	70%	50%	69%	58%	54%	47%	55%	17%	55%
RWM	60%	64%	63%	65%	45%	65%	58%	49%	41%	50%	11%	50%

KS2 Outcomes

School outcomes are better than national in all areas in 2017 and 2018. In 2019, they are better in all areas,

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

especially at greater depth, except in writing where they are broadly in-line with national.

	Children Meeting Expected Standard								Achieving a High standard							
	2016		2017		2018		2019		2016		2017		2018		2019	
	Scho of 100+	Natio nal 100+	Scho of 100+	Natio nal 100+	Scho of 100+	Natio nal 100+	Scho of 100+	Natio nal 100+	Scho of 110+	Natio nal 110+	Scho of 110+	Natio nal 110+	Scho of 110+	Natio nal 110+	Scho of 110+	Natio nal 110+
Reading	68%	66%	84%	71%	87%	75%	88%	73%	18%	19%	47%	25%	38%	28%	48%	27%
SPaG	71%	72%	82%	77%	78%	78%	82%	78%	18%	22%	37%	31%	33%	34%	58%	36%
Maths	64%	70%	79%	75%	82%	76%	92%	79%	20%	17%	30%	23%	32%	24%	52%	27%
Writing	73%	74%	86%	76%	80%	78%	75%	78%	18%	15%	28%	18%	25%	20%	17%	20%
RWM	54%	53%	74%	61%	75%	64%	75%	65%	9%	5%	16%	9%	15%	10%	17%	11%

The scales scores show that our pupils have performed better than national for the last three years.

	Scaled Scores 2016		Scaled Scores 2017		Scaled Scores 2018		Scaled Scores 2019	
	School	National	School	National	School	National	School	National
Average								
Reading	102	103	107	104	107	105	107	104
Grammar	104	104	107	106	106	106	109	106
Maths	102	103	105	104	106	104	109	105

Disadvantaged pupils in the school make excellent progress and compare very favourably with all pupils nationally. In Reading, they have even out-performed all pupils nationally for two consecutive years.

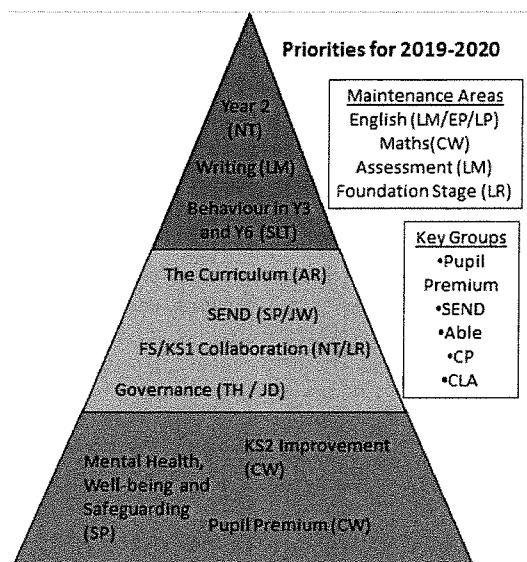
Expected Standard	Reading		Writing		Maths		Grammar		Combined	
National All 2018	75%		78%		76%		78%		64%	
National All 2019	73%		78%		79%		78%		65%	
	PP	Non PP	PP	Non PP	PP	Non PP	PP	Non PP	PP	Non PP
School 2018	83%	90%	76%	84%	72%	90%	72%	84%	72%	77%
School 2019	88%	89%	64%	83%	90%	91%	80%	83%	64%	83%

End of KS2 Progress Measures

Progress measures for 2016, 2017 and 2018 placed the school in the top 40% of schools nationally. It was significantly above average for Reading and Writing in all three of those years, and in 2018 for Maths. Progress in Reading and Maths was in the top 20% in 2018. A similar progress picture is predicted for 2019.

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Key Priority Areas for 2019-2020



Key Performance Indicators

The main financial performance indicator is the level of GAG reserves held at the Balance Sheet date. In period under review, £216,964 was carried forward representing 13% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2018 were 418.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2019, the Academy received total income of £2,103,299 and incurred total expenditure of £2,266,391. The excess of expenditure over income for the year was £163,092.

At 31 August 2019 the net book value of fixed assets was £3,331,255 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued on 31 August 2012 at £2,897,664. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 22 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review. The Trustees have considered the three year budget plan based on current funding levels with an indicative of a £42K deficit carry forward to 2021/22.

The Academy's reserves are £2,729,323 which are made up of £3,333,215 of fixed assets and £145,000 designated funds designated to fund future capital projects, less the pension deficit of £1,471,000.

The Trustees have determined that the appropriate level of free reserves should be approximately £200,000.

Currently the total reserve is £467,067 with the balance being £216,964 GAG and £250,103 unrestricted. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or to maintain staffing levels in the event of a reduction in funding.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the academy Trust.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year the majority of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Resources Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community. Partnerships have been established with local primary and secondary schools to support with curriculum improvements and monitoring of standards.

To increase the security of the school and safeguard the children, the Board of Trustees are considering a phased project to extend the entrance of the school which would involve a new reception area that is manned to control access to the school building .

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

- Trustees' indemnities – as the Trustees are directors, disclosure is required of whether there were any third party indemnity provisions during the year or at the date of approval of the Trustees' report.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report was approved by order of the board of Trustees, as the company directors, on and signed on its behalf by:

Mr J Dickson



GOVERNANCE STATEMENT

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that St Margaret's 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 Margaret's 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.

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GOVERNANCE STATEMENT (CONTINUED)

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr J Dickson, Chair of Trustees	4	4
Mrs L Phillips	4	4
Mr M Key	3	4
Mr R Hill	2	4
Mr T Hughes, Headteacher	2	2
Mrs S Stell, Headteacher	2	2
Mr J Cree	1	4
Mr J Bennett	3	4
Mr R Whiffin	1	1
Mrs B McPhail	2	3
Mrs C Ashworth	2	3
Mrs S Pike, Staff Trustee	4	4
Mrs N Turner, Staff Trustee	3	4
Miss C Reader	0	0
Mr S Kane	0	0

Governance reviews

The Trustees annually review the Governing Body Committee structure and Membership and the Management of Risk Register which cover all aspects of the academies function. The Governing Body also conducted an additional self-evaluation during 2018/19.

The Full Governing Body meets four times a year. To maintain effective oversight of funds a google shared drive has been set up for governors to access where they can review monthly management reports budget updates, and view correspondence from the ESFA.

Finance/Audit Committee

Finance

- **Finance/Audit Committees** this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget.
- **The Audit Review Committee** is an advisory body with no executive powers. However, it is authorised by the Board to investigate any activity within its terms of reference and to seek any information it requires from staff who are requested to co-operate with the Committee in the conduct of its enquiries. The Audit Committee is authorised to obtain independent professional advice if it considers this necessary.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Key	3	3
Mrs S Stell (Finance only)	1	1
Mrs B McPhail	1	2
Mr J Dickson	2	3
Mrs S Pike	3	3
Mr R Hill	1	3
Mr T Hughes (Finance only)	2	2

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Educational Standards Committee - this meet at least three times a year and is responsible for ensuring that the school follows the National and School Curriculum; that academic and behaviour standards are met and improved; that target setting, mentoring, monitoring and evaluation takes place; that policies delegated to the Committee by the Governing Body are developed and reviewed and that the special educational needs of children are met.

Staff Committee/Pay Committee - this meets annually to oversee some staff related matters in the SDP, from staff development and Inset to staff morale and well-being - for support staff as well as teaching staff. The review will take place before the Governing Body determines the budget for the following year so as to take account of any recommendations by the Committee which carry financial implications.

GOVERNANCE STATEMENT (CONTINUED)

Review of Value for Money

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

The Accounting Officer considers how the trust'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 Accounting Officer for the academy trust has delivered improved value for money during the year by:

Improving Education Results

Progress measures for 2016, 2017 and 2018 placed the school in the top 40% of schools nationally. It was significantly above average for Reading and Writing in all three of those years, and in 2018 for Maths. Progress in Reading and Maths was in the top 20% in 2018. A similar progress picture is predicted for 2019.

Disadvantaged pupils in the school make excellent progress and compare very favourably with all pupils nationally. In Reading, they have even out-performed all pupils nationally for two consecutive years.

KS2 outcomes are better than national in all areas in 2017 and 2018. In 2019, they are better in all areas, especially at greater depth, except in writing where they are broadly in-line with national.

Standards at the end of KS1 show a significant dip in 2019 in Maths, Writing especially, in all three subjects combined and for disadvantaged pupils. There were significant behaviour challenges in this cohort which impacted negatively on outcomes. We predict outcomes in 2020 will see a return to being in-line with national. Year 2 improvement is one of our top 3 improvement areas for 2019-2020.

Year 1 standards in phonics continue to be in-line with national. Disadvantaged pupils continue to do better than their peers for 3 consecutive years.

Outcomes at the end of Reception are consistently slightly below national year on year. Outcomes for disadvantaged dipped in 2019. However, pupils make good progress from very low starting points on their entry to the school.

Financial Governance and Oversight

The Trustees have ensured that sound systems of financial control are in place which includes two visits by the Responsible Officer, who provides an independent oversight of the Academy's financial affairs, and visits from internal and external Auditors. There is a clear separation of duties to support prudent financial management. The Resources/Audit Committee meet Termly to receive, consider and monitor the reports received from the Responsible Officer, Auditors and the School Business Manager.

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

(continued)

Better Purchasing

Contracts and services are reviewed and renegotiated regularly to ensure best value (which need not necessarily be the lowest cost option). The Trustees consider competitive quotations on purchases over £5,000 and agree the best option for expenditure. Quotations are regularly sought for lesser amounts of expenditure to enable best value for money. For 2018/9 the Trustees have considered competitive quotations and agreed the best option for expenditure on the following:

- Foundation Stage Outdoor Learning Area
- Replacement Hall Roof
- Clevertouch Plus Screens
- Replacement fencing outside KS1
- Running Track
- Replaced carpets in three classrooms
- Running Track
- Alarm installation

Better Income Generation

When opportunities arise the Academy will bid for additional funding for major projects through the DfE and Charitable Trusts.

The Academy are preparing to submit a bid for the Conditions Improvement Fund next year to build a new reception entrance in the interest of Safeguarding in the school

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 on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Margaret's Academy for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and Financial Statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Devon Audit as internal auditor and also carry out the role of Responsible Officer.

The Internal Auditors' and Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The Audit reports (termly) & Responsible Officer reports (twice a year) will be issued to the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal audit function has delivered their schedule of work as planned and no material control issues were identified from this work.


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 Responsible Officer and Internal Auditor
- the work of the External Auditor;
- the work of the Executive Managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of Trustees on ^{28/11/19} and signed on their behalf by:



Mr J Dickson
Chair of Trustees

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of St Margaret's Academy I have considered my responsibility to notify the Academy 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, under the funding agreement in place between the Academy 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 2018.

I confirm that I and the Academy board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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



Mr T Hughes
Accounting Officer

Date: 28/11/19

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

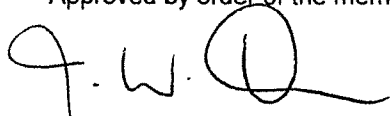
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 business.

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

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

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

Approved by order of the members of the board of Trustees and signed on its behalf by:



Mr J Dickson
Chair of Trustees

Date: 28/11/19



Mr T Hughes
Accounting Officer

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
MARGARET'S ACADEMY**

Opinion

We have audited the financial statements of St Margaret's Academy (the 'academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
MARGARET'S ACADEMY (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law 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 Trustees' Responsibilities Statement, the Trustees (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 Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
MARGARET'S ACADEMY (CONTINUED)**

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.

William Hanbury FCA (Senior Statutory Auditor)

for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
Century House
Nicholson Road
Torquay
TQ2 7TD

Handwritten signature in black ink that reads "Bishop Fleming LLP". The signature is written in a cursive style with a large initial 'B'.

Date: 23/12/19

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST
MARGARET'S ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 November 2014 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 Margaret's 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 Margaret's 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 Margaret's Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Margaret's Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of St Margaret's Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of St Margaret's Academy's funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the 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 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

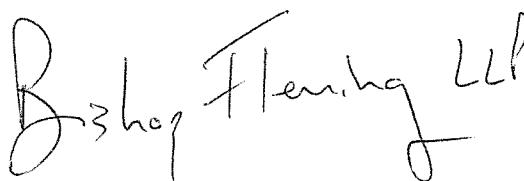
**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST
MARGARET'S ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

William Hanbury FCA (Reporting Accountant)

Bishop Fleming LLP
Century House
Nicholson Road
Torquay
TQ2 7TD

A handwritten signature in black ink that reads "Bishop Fleming LLP". The signature is written in a cursive, flowing style.

Date: 12/12/19

**ST MARGARET'S 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 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	1,250	23,759	24,916	49,925	30,042
Charitable activities		31,058	1,961,671	-	1,992,729	1,934,766
Other trading activities		57,436	-	-	57,436	50,802
Investments	6	3,209	-	-	3,209	883
Total income		92,953	1,985,430	24,916	2,103,299	2,016,493
Expenditure on:						
Raising funds		33,038	-	-	33,038	38,126
Charitable activities		36,578	2,094,749	102,026	2,233,353	2,180,428
Total expenditure		69,616	2,094,749	102,026	2,266,391	2,218,554
Net income / (expenditure)		23,337	(109,319)	(77,110)	(163,092)	(202,061)
Transfers between funds	17	-	(51,103)	51,103	-	-
Net movement in funds before other recognised gains/(losses)		23,337	(160,422)	(26,007)	(163,092)	(202,061)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	(232,000)	-	-	(232,000)	281,000
Net movement in funds		(208,663)	(160,422)	(26,007)	(395,092)	78,939
Reconciliation of funds:						
Total funds brought forward		226,766	(861,614)	3,357,262	2,722,414	2,643,475
Net movement in funds		(208,663)	(160,422)	(26,007)	(395,092)	78,939
Total funds carried forward		18,103	(1,022,036)	3,331,255	2,327,322	2,722,414

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 55 form part of these financial statements.

ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07566505

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	13	3,331,255	3,357,262
		<u>3,331,255</u>	<u>3,357,262</u>
Current assets			
Stocks		12,405	10,255
Debtors	14	56,070	61,753
Cash at bank and in hand		501,886	461,581
		<u>570,361</u>	<u>533,589</u>
Creditors: amounts falling due within one year	15	(103,294)	(99,437)
Net current assets		<u>467,067</u>	434,152
Total assets less current liabilities		<u>3,798,322</u>	<u>3,791,414</u>
Net assets excluding pension liability		<u>3,798,322</u>	3,791,414
Defined benefit pension scheme liability	23	(1,471,000)	(1,069,000)
Total net assets		<u><u>2,327,322</u></u>	<u><u>2,722,414</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	17	3,331,255	3,357,262
Restricted income funds	17	216,964	207,386
Restricted funds excluding pension liability	17	<u>3,548,219</u>	<u>3,564,648</u>
Pension reserve	17	(1,471,000)	(1,069,000)
Total restricted funds	17	<u>2,077,219</u>	2,495,648
Unrestricted income funds	17	<u>250,103</u>	226,766
Total funds		<u><u>2,327,322</u></u>	<u><u>2,722,414</u></u>

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07566505**

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019**

The financial statements on pages 26 to 55 were approved by the Trustees, and authorised for issue on 28/11/19 and are signed on their behalf, by:



Mr J Dickson
Chair of Trustees



Mr T Hughes
Accounting Officer

The notes on pages 30 to 55 form part of these financial statements.

**ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	19	94,618	64,193
Cash flows from investing activities	20	(54,313)	(43,855)
Change in cash and cash equivalents in the year		40,305	20,338
Cash and cash equivalents at the beginning of the year		461,581	441,243
Cash and cash equivalents at the end of the year	21	501,886	461,581

The notes on pages 30 to 55 form part of these financial statements

**ST MARGARET'S 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), judgements and key sources of estimation uncertainty, is set out below.

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 Margaret's Academy meets the definition of a public benefit entity under FRS 102.

1.2 GOING CONCERN

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

**ST MARGARET'S 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 incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy has provided the goods or services.

1.4 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 institution with whom the funds are deposited.

1.5 EXPENDITURE

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

Expenditure on raising funds includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

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

1. Accounting policies (continued)

1.5 EXPENDITURE (continued)

All resources expended are inclusive of irrecoverable VAT.

1.6 TANGIBLE FIXED ASSETS

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land	- Term of the lease
Long-term leasehold property	- 2% straight-line
Furniture and fixtures	- 15% straight-line
Computer equipment	- 20% straight-line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

On conversion, the Academy was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

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

1. Accounting policies (continued)

1.9 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.10 LIABILITIES

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

1.11 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 bases 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 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.12 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 Part 11, chapter 3 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.

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1. Accounting policies (continued)

1.13 PENSIONS

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

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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 and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 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 Trustees.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.15 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

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

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	1,250	23,759	25,009	21,407
Capital Grants	-	24,916	24,916	8,635
Total 2019	<u>1,250</u>	<u>48,675</u>	<u>49,925</u>	<u>30,042</u>
Total 2018	<u>-</u>	<u>30,042</u>	<u>30,042</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant	-	1,630,657	1,630,657	1,610,246
Other DfE/EFSA grants	-	258,159	258,159	252,035
High Needs	-	71,277	71,277	36,862
Other government grants: capital	-	1,578	1,578	5,066
Internal catering income	28,627	-	28,627	27,705
Sales to students	31	-	31	212
Trip income	2,400	-	2,400	2,640
Total 2019	31,058	1,961,671	1,992,729	1,934,766
Total 2018	30,557	1,904,209	1,934,766	

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
External catering	3,130	3,130	3,214
Fees received	53,763	53,763	46,427
Other	543	543	1,161
Total 2019	57,436	57,436	50,802

All prior year income related to unrestricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	3,209	3,209	883

All prior year income related to unrestricted funds.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading activities:					
Direct costs	28,885	-	4,153	33,038	38,126
Education:					
Direct costs	1,446,518	130,764	80,896	1,658,178	1,602,120
Support costs	339,201	55,311	180,663	575,175	578,308
Total 2019	1,814,604	186,075	265,712	2,266,391	2,218,554
Total 2018	1,738,887	174,134	305,533	2,218,554	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	1,658,178	575,175	2,233,353	2,180,428
Total 2018	1,602,120	578,308	2,180,428	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension finance cost	27,000	31,000
Staff costs	1,446,518	1,369,632
Depreciation	46,715	46,248
Educational supplies	107,488	117,082
Staff development	6,865	15,170
Other costs	18,966	18,431
Supply teachers	4,626	4,557
Total 2019	1,658,178	1,602,120

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	339,201	331,590
Depreciation	55,311	61,196
Recruitment and support	1,480	2,773
Maintenance of premises and equipment	25,991	29,795
Cleaning	6,206	5,807
Rent and rates	13,062	11,678
Energy costs	19,636	18,496
Insurance	10,936	13,039
Security and transport	1,057	813
Catering	52,917	49,649
Office overheads	32,874	34,106
Legal and professional	5,874	6,625
Bank interest and charges	194	128
Governance costs	10,436	12,613
Total 2019	575,175	578,308

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	2,792	4,676
Depreciation of tangible fixed assets	102,026	107,444
Fees paid to auditors for:		
- audit	5,000	4,950
- other services	4,395	4,415
	<u>114,213</u>	<u>121,485</u>

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,339,656	1,275,581
Social security costs	105,400	97,264
Pension costs	369,548	358,485
	<u>1,814,604</u>	<u>1,731,330</u>
Agency staff costs	4,626	4,557
Staff restructuring costs	-	3,000
	<u>1,819,230</u>	<u>1,738,887</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2018: £3,000). Individually, the payments were £Nil (2018: £3,000).

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10. Staff costs (continued)

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	20	20
Education support	49	46
Administration and clerical	5	5
Management	2	2
	<u>76</u>	<u>73</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	14	14
Education support	27	27
Administration and clerical	3	4
Management	2	2
	<u>46</u>	<u>47</u>

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £479,069 (2018: £476,448).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the Key Management Personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by Key Management Personnel above.

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11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

12. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim (2018: £5,000,000) and the cost for the year ended 31 August 2019 was £8,792 (2018: £7,898). The cost of this insurance is included in the total insurance cost.

13. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	3,494,305	353,387	180,206	4,027,898
Additions	54,942	6,427	14,650	76,019
At 31 August 2019	<u>3,549,247</u>	<u>359,814</u>	<u>194,856</u>	<u>4,103,917</u>
Depreciation				
At 1 September 2018	241,424	288,354	140,858	670,636
Charge for the year	62,949	20,272	18,805	102,026
At 31 August 2019	<u>304,373</u>	<u>308,626</u>	<u>159,663</u>	<u>772,662</u>
Net book value				
At 31 August 2019	<u><u>3,244,874</u></u>	<u><u>51,188</u></u>	<u><u>35,193</u></u>	<u><u>3,331,255</u></u>
At 31 August 2018	<u><u>3,252,881</u></u>	<u><u>65,033</u></u>	<u><u>39,348</u></u>	<u><u>3,357,262</u></u>

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

14. Debtors

	2019 £	2018 £
Due within one year		
Prepayments and accrued income	45,934	44,203
VAT recoverable	10,136	17,550
	<u>56,070</u>	<u>61,753</u>

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other taxation and social security	29,376	24,919
Accruals and deferred income	73,918	74,518
	<u>103,294</u>	<u>99,437</u>
	2019 £	2018 £
Deferred income at 1 September 2018	34,032	35,816
Resources deferred during the year	36,100	34,032
Amounts released from previous periods	(34,032)	(35,816)
	<u>36,100</u>	<u>34,032</u>

At the balance sheet date the Academy Trust was holding funds received in advance for ESFA infant free school meals income and SEN capital fund relating to the 2019/20 year.

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**NOTES TO THE FINANCIAL STATEMENTS
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16. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through income and expenditure	501,886	461,581
Financial assets that are debt instruments measured at amortised cost	10,136	17,550
	<u>512,022</u>	<u>479,131</u>
	2019 £	2018 £
Financial liabilities		
Financial liabilities measured at amortised cost	31,100	34,032

Financial assets measured at fair value through income and expenditure comprise of cash at bank and in hand.

Financial liabilities measured at amortised cost comprise of deferred income.

**ST MARGARET'S ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Designated funds						
Future capital projects	145,000	-	-	-	-	145,000
General funds						
General Funds	81,766	7,433	(5,487)	-	-	83,712
After school and breakfast clubs	-	53,763	(32,372)	-	-	21,391
Catering	-	31,757	(31,757)	-	-	-
	81,766	92,953	(69,616)	-	-	105,103
Total Unrestricted funds	226,766	92,953	(69,616)	-	-	250,103
Restricted general funds						
General Annual Grant (GAG)	206,233	1,630,657	(1,547,441)	(72,485)	-	216,964
High Needs	-	71,277	(71,277)	-	-	-
Donations	-	13,176	(13,176)	-	-	-
Pupil Premium	-	169,646	(169,646)	-	-	-
PE and Sports Grant	-	32,119	(31,946)	(173)	-	-
UIFSM	-	56,394	(77,949)	21,555	-	-
Other restricted grants	1,153	12,161	(13,314)	-	-	-
Pension reserve	(1,069,000)	-	(170,000)	-	(232,000)	(1,471,000)
	(861,614)	1,985,430	(2,094,749)	(51,103)	(232,000)	(1,254,036)
Restricted fixed asset funds						
Fixed Assets transferred on conversion	2,698,463	-	(49,947)	-	-	2,648,516

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FOR THE YEAR ENDED 31 AUGUST 2019

17. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Fixed Assets purchased from GAG and other restricted funds	548,953	-	(46,386)	51,103	-	553,670
DfE/ESFA Capital Grants	52,003	24,916	(3,756)	-	-	73,163
Capital Grants transferred on conversion	9,687	-	(221)	-	-	9,466
Fixed Assets purchased from Pupil Premium	48,156	-	(1,716)	-	-	46,440
	<u>3,357,262</u>	<u>24,916</u>	<u>(102,026)</u>	<u>51,103</u>	<u>-</u>	<u>3,331,255</u>
Total Restricted funds	<u>2,495,648</u>	<u>2,010,346</u>	<u>(2,196,775)</u>	<u>-</u>	<u>(232,000)</u>	<u>2,077,219</u>
Total funds	<u><u>2,722,414</u></u>	<u><u>2,103,299</u></u>	<u><u>(2,266,391)</u></u>	<u><u>-</u></u>	<u><u>(232,000)</u></u>	<u><u>2,327,322</u></u>

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

DESIGNATED FUNDS

The Trustees have designated funds towards future capital projects including a phased project to extend the entrance of the school, which will involve a new reception area to control access to the building.

UNRESTRICTED FUNDS

Breakfast club and After school club - Income generated from running a extra activities before school hours and after school hours.

Catering income - Income generated from providing lunch meals to students.

RESTRICTED FUNDS

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Restricted donations - This fund represents other small restricted donations for the Academy.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those

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17. Statement of funds (continued)

children and their wealthier peers.

PE and Sports Grant – This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

UIFSM - 'Universal Infant Free School Meals'. This funding is received in order to ensure children that meet the criteria have access to free school meals.

Other restricted grants - This fund represents other small DfE/ESFA grants.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion – This represent the buildings and equipment donated to the School from the Local Authority on conversion to an Academy.

Fixed assets purchased from GAG and other restricted funds - This fund includes transfers from the GAG restricted fund for capital related expenditure. The balance at the year end represents the net book value of assets transferred from the GAG fund.

DfE/ESFA Capital Grants – These funds are received from the ESFA for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Capital grants transferred on conversion - This represents capital grants transferred from the Local Authority on conversion, to be spent on fixed asset projects.

Fixed assets transferred from Pupil Premium - This fund represents the net book value of fixed assets purchased from restricted pupil premium funding to include a contribution towards the modular build and THRIVE bus.

OTHER INFORMATION

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

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Designated funds						
Future capital projects	145,000	-	-	-	-	145,000
General funds						
General Funds	75,265	35,815	(38,667)	9,353	-	81,766
After school and breakfast clubs	-	46,427	(37,074)	(9,353)	-	-
	<u>75,265</u>	<u>82,242</u>	<u>(75,741)</u>	<u>-</u>	<u>-</u>	<u>81,766</u>
Total Unrestricted funds	<u>220,265</u>	<u>82,242</u>	<u>(75,741)</u>	<u>-</u>	<u>-</u>	<u>226,766</u>
Restricted general funds						
General Annual Grant (GAG)	191,111	1,610,246	(1,537,463)	(57,661)	-	206,233
High Needs	-	36,862	(36,862)	-	-	-
Donations	-	9,871	(9,871)	-	-	-
Pupil Premium	-	173,565	(174,619)	1,054	-	-
PE and Sports Grant	-	19,530	(19,933)	403	-	-
UIFSM	-	58,340	(71,572)	13,232	-	-
Other restricted grants	-	17,202	(16,049)	-	-	1,153
Pension reserve	(1,181,000)	-	(169,000)	-	281,000	(1,069,000)
	<u>(989,889)</u>	<u>1,925,616</u>	<u>(2,035,369)</u>	<u>(42,972)</u>	<u>281,000</u>	<u>(861,614)</u>
Restricted fixed asset funds						
Fixed Assets transferred on conversion	2,756,434	-	(57,971)	-	-	2,698,463

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17. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Fixed Assets purchased from GAG and other restricted funds	549,729	-	(43,748)	-	-	505,981
DfE/ESFA Capital Grants	47,156	8,635	(3,788)	42,972	-	94,975
Capital Grants transferred on conversion	9,908	-	(221)	-	-	9,687
Fixed Assets purchased from Pupil Premium	49,872	-	(1,716)	-	-	48,156
	<u>3,413,099</u>	<u>8,635</u>	<u>(107,444)</u>	<u>42,972</u>	<u>-</u>	<u>3,357,262</u>
Total Restricted funds	<u>2,423,210</u>	<u>1,934,251</u>	<u>(2,142,813)</u>	<u>-</u>	<u>281,000</u>	<u>2,495,648</u>
Total funds	<u><u>2,643,475</u></u>	<u><u>2,016,493</u></u>	<u><u>(2,218,554)</u></u>	<u><u>-</u></u>	<u><u>281,000</u></u>	<u><u>2,722,414</u></u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	3,331,255	3,331,255
Current assets	251,152	320,258	-	571,410
Creditors due within one year	(1,049)	(103,294)	-	(104,343)
Provisions for liabilities and charges	-	(1,471,000)	-	(1,471,000)
Total	<u><u>250,103</u></u>	<u><u>(1,254,036)</u></u>	<u><u>3,331,255</u></u>	<u><u>2,327,322</u></u>

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18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,357,262	3,357,262
Current assets	226,766	306,823	-	533,589
Creditors due within one year	-	(99,437)	-	(99,437)
Provisions for liabilities and charges	-	(1,069,000)	-	(1,069,000)
Total	226,766	(861,614)	3,357,262	2,722,414

19. Reconciliation of net expenditure to net cash flow from operating activities

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	(163,092)	(202,061)
Adjustments for:		
Depreciation	102,026	107,444
Capital grants from DfE and other capital income	(24,916)	(8,635)
Interest received	3,209	883
Defined benefit pension scheme adjustment	143,000	138,000
Defined benefit pension scheme finance cost	27,000	31,000
(Increase)/Decrease in stocks	(2,150)	(871)
Decrease in debtors	4,635	1,712
(Decrease)/Increase in creditors	4,906	(3,279)
Net cash provided by operating activities	94,618	64,193

20. Cash flows from investing activities

	2019 £	2018 £
Interest received	(3,209)	(883)
Purchase of tangible fixed assets	(76,020)	(51,607)
Capital grants from DfE Group	24,916	8,635
Net cash used in investing activities	(54,313)	(43,855)

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21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	199,702	161,966
Notice deposits	302,184	299,615
Total cash and cash equivalents	501,886	461,581

22. Capital commitments

	2019 £	2018 £
Contracted for but not provided in these financial statements		
Interim speech and language room	5,000	-

23. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' 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 Devon County Council. Both are multi-employer defined benefit schemes.

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

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

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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £114,903 (2018 - £114,859).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £146,000 (2018 - £138,000), of which employer's contributions totalled £111,000 (2018 - £106,000) and employees' contributions totalled £ 35,000 (2018 - £32,000). The agreed contribution rates for future years are 15.80 per cent for employers and between 5.5 and 12.5 per cent 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	1.50	1.50

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.5	23.5
Females	24.4	25.6
<i>Retiring in 20 years</i>		
Males	24.2	25.8
Females	26.2	28.0

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	(62)	(49)
Discount rate -0.1%	63	50
Mortality assumption - 1 year increase	110	78
Mortality assumption - 1 year decrease	(106)	(75)
CPI rate +0.1%	58	47
CPI rate -0.1%	(57)	(46)

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23. Pension commitments (continued)

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

	At 31 August 2019	At 31 August 2018
	£	£
Equities	872,000	766,000
Gilts	50,000	39,000
Bonds	27,000	24,000
Property	124,000	113,000
Cash	19,000	19,000
Other	326,000	287,000
Total market value of assets	1,418,000	1,248,000

The actual return on scheme assets was £58,000 (2018 - £71,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019	2018
	£	£
Current service cost	(254,000)	(244,000)
Interest income	34,000	28,000
Interest cost	(61,000)	(59,000)
Total amount recognised in the Statement of Financial Activities	(281,000)	(275,000)

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

	2019	2018
	£	£
At 1 September	2,317,000	2,247,000
Current service cost	233,000	244,000
Interest cost	61,000	59,000
Employee contributions	35,000	32,000
Actuarial losses/(gains)	255,000	(239,000)
Benefits paid	(33,000)	(26,000)
Past service costs	21,000	-
At 31 August	2,889,000	2,317,000

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23. Pension commitments (continued)

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	1,248,000	1,066,000
Return on plan assets (excluding net interest on the net defined pension liability)	35,000	29,000
Actuarial losses	23,000	42,000
Employer contributions	111,000	106,000
Employee contributions	35,000	32,000
Benefits paid	(33,000)	(26,000)
Administration expense	(1,000)	(1,000)
At 31 August	1,418,000	1,248,000

24. Operating lease commitments

At 31 August 2019 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Within 1 year	3,970	1,887
Later than 1 year and not later than 5 years	8,035	-
	12,005	1,887

25. 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.

26. General Information

St Margaret's Academy is a company limited by guarantee, incorporated in England and Wales. The registered office is St Margaret's Academy, Barewell Road, Torquay, Devon, TQ1 4PA.

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27. Related party transactions

Owing to the nature of the Academy's operations 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 a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 11.

