

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members and Trustees Mr J Dickson, Chair
Mr M Key^{2,3}
Miss C Reader (resigned 1 September 2018)^{1,2,3}
Trustees Mrs L Phillips (appointed 22 November 2017)¹
Mr R Hill (appointed 22 November 2017)^{2,3}
Mrs B McPhail^{2,3}
Mrs S Pike, Staff Governor^{1,2,3}
Mrs S Stell, Head Teacher^{1,2,3}
Mrs N Turner, Staff Governor¹
Mr J Cree¹
Mr J Bennett (appointed 22 November 2017)¹

¹ Educational standards committee

² Staffing committee

³ Finance/audit committee

Company registered number 07566505

Company name St Margaret's Academy

Principal and Registered office Barewell Road
Torquay
Devon
TQ1 4PA

Company secretary Mrs K Colmer

Accounting officer Mrs S Stell

Senior management team Mrs S Stell, Headteacher
Mrs S Pike, Deputy Headteacher
Mr L Marchant, Assistant Headteacher
Miss C Wooldridge, Assistant Headteacher
Mrs N Turner, Assistant Headteacher
Mr A Robinson, Senior Lead Teacher
Mrs K Colmer, Business Manager

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
50 The Terrace
Torquay
Devon
TQ1 1DD

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

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

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Solicitors

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

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

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. 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 417 in the school census on 23 January 2018.

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 Trust.

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

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.

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

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 and pupils. All Trustees are provided with 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.

There are 3 committees as follows;

- **Finance/Audit Committee** - 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 meets 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.

Pay Committee – this meets annually to assess the salary levels of individual members of staff, in accordance with the Pay Policy and in relation to the School Development Plan. During this process it will determine the salaries to be paid to all members of staff and will have regard to the differentials between the salaries of Head, Deputy or Assistant Head teachers and other staff employed at the school.

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.

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

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

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.

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 2018 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra curricular activities
- to develop students as more effective learners
- to develop the Academy site so that it enables students to achieve their full potential
- 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 curriculum and 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 aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

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

Objectives, Strategies and Activities

Key priorities were outlined in our School Development Plan and focused on raising standards and supporting children and their families. Some of the priorities are outlined below:

- Ensure that attainment and progress in the core subjects is consistently high by the end of all Key Stages
- Progress is accelerated and the gap between disadvantage pupils and their peers diminishes
- Continue to develop and refine assessment procedures across the school
- Ensure professional development supports staff in career progression and builds leadership capacity within the school, and
- Develop the Pastoral Team and maintain our THRIVE provision.

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.

The Academy aims to advance for the public benefit, education in Torbay and the surrounding area. In particular, but without prejudice to the generality of the forgoing by estimating, maintaining, managing and development schools, offering a broad curriculum.

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 residential's and music lessons.
- Continued Professional Development has enabled Teachers and Teaching Assistants to keep up to date with constant educational changes.
- Replacement CCTV system
- Replacement Telephone system
- Drainage on Sport field
- Replacement windows
- Retaining wall on infant playground/capping on existing walls
- Lighting to entrance of school
- Nurture Group provision
- Clevertouch Plus Screens

A summary of the school's outcomes reported nationally for 2017 - 2018 are as follows:

Foundation Stage

65% of pupils achieved a Good Level of Development (69% National 2017) which matches last year's school data and is slightly below national data. However, Baseline data shows that pupils make good progress in the Foundation Stage from their low starting points.

The gap between disadvantaged pupils and their peers has remained narrow at 14% and there is a small gender gap with boys out performing girls by 3.4%.

Phonic Screening Check

The renewed focus on phonics has ensured that more children have the skills they need for reading:

- 82% of children passed the screening test in Y1 this year which is in line with the national average of 83%
- 97% of Y2 children have passed the phonic screening check, above national 92%

KS1 Outcomes

Standards at the end of KS1 are closely aligned with national data (2018) and show good progress from their starting points.

Key Stage 1				
Subject	National Expected 2018	School Expected 2018	National Greater Depth 2018	School Greater Depth 2018
Reading	75%	75%	26%	22%
Writing	70%	65%	16%	7%
Maths	76%	74%	22%	20%
Combined RWM	64% (2017)	63%	*	*
Science	83%	81%	*	*

The following table shows the percentage of different pupil groups achieving expected levels across all core subjects at the end of KS1 (Combined Reading, Writing and Maths). Boys outperformed girls in 2018 again but the gap was narrower than 2017. There was a wider gap between Disadvantaged Pupils and their peers in 2018 and this will be a focus for the school over the next few years.

	All Pupils	Boys	Girls	PP Children	Not PP
2017	60 [35/59]	72% [23/32]	44% [12/27]	58% [7/12]	60% [28/47]
2018	63% [38/60]	69% [18/26]	59% [20/34]	33.3% [6/18]	76% [34/42]

KS2 Outcomes

The percentage of pupils achieving the Expected Standard and a High Standard in Combined Reading, Writing and Maths has been better than the National average over the last three years as the following table shows:

Combined R,W & M	Expected standard			High standard		
	2016	2017	2018	2016	2017	2018
School	54%	74%	75%	9%	16%	15%
National	53%	61%	64%	5%	9%	10%

When the results are broken down by subject we see that from 2017 school data is better than national data in reading, writing, grammar and maths at the Expected standard and at a Higher Standard showing consistently high pupil outcomes over time.

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

	Children Meeting Expected Standard						Achieving a High standard					
	2016		2017		2018		2016		2017		2018	
	School 100+	National 100+	School 100+	National 100+	School 100+	National 100+	School 110+	National 110+	School 110+	National 110+	School 100+	National 100+
Reading Test	68%	66%	84%	71%	87%	75%	18%	19%	47%	25%	38%	28%
Grammar Test	74%	72%	82%	77%	78%	78%	18%	22%	37%	31%	33%	34%
Maths Test	64%	70%	79%	75%	82%	76%	20%	17%	30%	23%	32%	24%
Writing Teacher Assessed	73%	74%	86%	76%	80%	78%	18%	15%	28%	18%	25%	20%

Disadvantaged pupils in the school make excellent progress and their attainment is in line with all pupils nationally as the following table shows. 72% of the Pupil Premium pupils met the expected standard in reading, writing and maths compared to 64% of all pupils nationally.

Expected Standard	Reading		Writing		Maths		Grammar		Combined	
	PP	Non PP	PP	Non PP	PP	Non PP	PP	Non PP	PP	Non PP
National All 2018	75%		78%		76%		78%		64%	
School 2018	83%	90%	76%	84%	72%	90%	72%	84%	72%	77%

The average scaled score at the end of KS2 is also good and has been above the national average for the last two years as the following table shows:

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

End of KS2 Progress Measures

Over the last two years, progress measures indicate that the children have made better progress in reading, writing and maths than pupils with similar starting points nationally across KS2 and the school is well above average in this respect.

Progress Measures from KS1 to KS2		
Subject	National	School
Reading	0.0	4.2
Writing	0.0	1.8
Maths	0.0	3.7

The school has met floor standards again in 2017 – 2018 for both attainment and progress.

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

Some of the key areas to prioritise in 2018-2019 are:

- To ensure writing outcomes across the school matches national data for the expected standard and at a greater depth.
- To ensure progress and attainment of different pupil groups is consistent across the school.

Key Performance Indicators

The main financial performance indicator is the level of GAG reserves held at the Balance Sheet date. In period under review, £206,233 was carried forward representing 12% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2018 were 417.

The following KPI's are monitored by the Trustees:

	2018	2017
Pupil capacity	420	420
Pupil numbers	417	414
Total income per pupil	£4,836	£4,929
Total GAG income per pupil	£3,862	£3,944
GAG income ratio of total income	79%	80%
Total expenditure per pupil	£5,320	£5,231
Staff costs per pupil	£4,170	£4,188
Staff costs as a % of GAG income	107%	106%
Staff costs as a % of total costs	78%	80%
Pupil teacher ratio – average head count	19.0	19.7
Pupil teacher ratio – full time equivalent	26.0	23.0
Available reserves	£432,999	£411,376
Available reserves per pupil	£1,038	£994

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 EFA 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 2018 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 2018, the Academy received total income of £2,016,493 and incurred total expenditure of £2,218,554. The excess of expenditure over income for the year was £202,061.

At 31 August 2018 the net book value of fixed assets was £3,357,262 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.

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 21 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 £423K carry forward in 2020/21.

The Academy's reserves are £3,791,414 (excluding pension deficit £1,069,000) which are made up of £3,357,262 fixed asset fund, £145,000 designated funds, £81,766 unrestricted funds and £207,386 restricted funds (including GAG).

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

Currently the available reserves are £226,766, plus a GAG carried forward reserve of £206,223. 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 EFA. 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 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.

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

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

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.

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 .

Discussions are on-going with various trusts regarding collaboration and potential MAT formation for the future and advice has been sought on this matter.

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.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on ~~21-11-2018~~ and signed on the Board's behalf by:



**Mr J Dickson, Chair
Chair of Trustees**

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.

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	4	4
Mr M Key	4	4
Miss C Reader	3	4
Mrs L Phillips	2	4
Mr R Hill	3	4
Mrs B McPhail	2	4
Mrs S Pike, Staff Governor	4	4
Mrs S Stell, Head Teacher	4	4
Mrs N Turner, Staff Governor	4	4
Mr J Cree	2	4
Mr J Bennett	3	3

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 2017/18.

The Full Governing Body meets four times a year. 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.

Finance/Audit Committee

- 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.
- Audit Review Committee is also a sub-committee of the main Board of Trustees and meetings are combined with the Finance Committee.
- 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.

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Key, Chairman	2	3
Mrs S Stell, Head Teacher	3	3
Mrs B McPhail	2	3
Mr J Dickson, Chair	1	3
Mrs S Pike, Staff Governor	3	3
Mr R Hill	3	3
Miss C Reader	2	3

- **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.
- **Pay Committee** – this meets annually to assess the salary levels of individual members of staff, in accordance with the Pay Policy and in relation to the School Development Plan. During this process it will determine the salaries to be paid to all members of staff and will have regard to the differentials between the salaries of Head, Deputy or Assistant Head teachers and other staff employed at the school.

REVIEW OF VALUE FOR MONEY

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

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

Improving Education Results

- The Academy met the DfE's floor standards for both attainment and progress
- End of Key Stage results again showed children in KS2 achieving significantly above national averages for reading, writing and maths at the Expected Standard and at a Higher Standard.
- Progress across KS2 is well above average in reading and maths and above average in writing
- The gap between Disadvantaged Pupils and their peers is narrow by the end of KS2 and the Disadvantaged pupils perform in line with All Pupils nationally..
- Good progress across KS1 ensures pupil outcomes are broadly similar to national by the end of Y2.
- Phonic Screening Check data is above national for Y1 and Y2.
- Progress is good across Foundation Stage
- Targeted improvement has meant staffing structure is constantly under review and staff are deployed efficiently across 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.

GOVERNANCE STATEMENT (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 2017/8 the Trustees have considered competitive quotations and agreed the best option for expenditure on the following:

- Replacement CCTV system
- Replacement Telephone system
- Drainage on Sport field
- Replacement windows
- Retaining wall on infant playground/capping on existing walls
- Lighting to entrance of school
- Nurture Group provision
- Clevertouch Plus Screens

Better Income Generation

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

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 2017 to 31 August 2018 and up to the date of approval of the Annual Report and Financial Statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The 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.

GOVERNANCE STATEMENT (continued)

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.

On a quarterly basis, the auditor reports to the Board of Trustees through 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 internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 **21-11-2018** and signed on their behalf, by:



**Mr J Dickson, Chair
Chair of Trustees**



**Mrs S Stell, Head Teacher
Accounting Officer**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Margaret's Academy I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



**Mrs S Stell
Accounting Officer**

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

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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
Chair of Trustees**

Date: 21-11-2018



**Mrs S Stell, Head Teacher
Accounting Officer**

Date: 21.11.18

**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 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education and 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.

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

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. 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 Statement of Trustees' Responsibilities, 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**

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

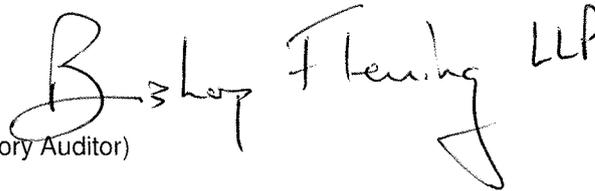
50 The Terrace

Torquay

Devon

TQ1 1DD

Date: 17/12/18

A handwritten signature in black ink, appearing to read 'Bishop Fleming LLP', is written over the printed name of the auditor. The signature is stylized and cursive.

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

**INDEPENDENT REPORTING ACCOUNTANTS' 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 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to St 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Margaret's Academy and the 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 ACCOUNTANTS' 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 suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



William Hanbury FCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
50 The Terrace
Torquay
Devon
TQ1 1DD

Date: 17/12/18

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

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	21,407	8,635	30,042	37,414
Charitable activities	3	30,557	1,904,209	-	1,934,766	1,942,272
Other trading activities	4	50,802	-	-	50,802	56,221
Investments	5	883	-	-	883	4,840
TOTAL INCOME		82,242	1,925,616	8,635	2,016,493	2,040,747
EXPENDITURE ON:						
Raising funds		38,126	-	-	38,126	34,373
Charitable activities		37,615	2,035,369	107,444	2,180,428	2,131,432
TOTAL EXPENDITURE	6	75,741	2,035,369	107,444	2,218,554	2,165,805
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	6,501	(109,753)	(98,809)	(202,061)	(125,058)
		-	(42,972)	42,972	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		6,501	(152,725)	(55,837)	(202,061)	(125,058)
Actuarial gains on defined benefit pension schemes	21	-	281,000	-	281,000	163,000
NET MOVEMENT IN FUNDS		6,501	128,275	(55,837)	78,939	37,942
RECONCILIATION OF FUNDS:						
Total funds brought forward		220,265	(989,889)	3,413,099	2,643,475	2,605,533
TOTAL FUNDS CARRIED FORWARD		226,766	(861,614)	3,357,262	2,722,414	2,643,475

The notes on pages 27 to 48 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		3,357,262		3,413,099
CURRENT ASSETS					
Stocks		10,255		9,384	
Debtors	14	61,753		63,465	
Cash at bank and in hand		461,581		441,243	
		<u>533,589</u>		<u>514,092</u>	
CREDITORS: amounts falling due within one year	15	<u>(99,437)</u>		<u>(102,716)</u>	
NET CURRENT ASSETS			<u>434,152</u>		<u>411,376</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,791,414</u>		<u>3,824,475</u>
Defined benefit pension scheme liability	21		<u>(1,069,000)</u>		<u>(1,181,000)</u>
NET ASSETS			<u><u>2,722,414</u></u>		<u><u>2,643,475</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	17	207,386		191,111	
Fixed asset funds	17	3,357,262		3,413,099	
		<u>3,564,648</u>		<u>3,604,210</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(1,069,000)</u>		<u>(1,181,000)</u>	
Total restricted funds			<u>2,495,648</u>		<u>2,423,210</u>
Unrestricted funds	17		<u>226,766</u>		<u>220,265</u>
TOTAL FUNDS			<u><u>2,722,414</u></u>		<u><u>2,643,475</u></u>

The financial statements on pages 24 to 48 were approved by the Trustees, and authorised for issue, on 21.11.18 and are signed on their behalf, by:


Mr J Dickson
Chair of Trustees


Mrs S Stell, Head Teacher
Accounting Officer

The notes on pages 27 to 48 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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	64,193	119,534
Cash flows from investing activities:			
Interest received		(883)	(2,504)
Purchase of tangible fixed assets		(51,607)	(124,436)
Capital grants from DiE Group		8,635	8,635
Net cash used in investing activities		(43,855)	(118,305)
Change in cash and cash equivalents in the year		20,338	1,229
Cash and cash equivalents brought forward		441,243	440,014
Cash and cash equivalents carried forward	20	461,581	441,243

The notes on pages 27 to 48 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 2018

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Margaret's Academy constitutes a public benefit entity as defined by FRS 102.

1.2 FUND ACCOUNTING

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

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

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 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 it can be reliably measured.

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

1.4 EXPENDITURE

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

Expenditure on 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 those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

1.5 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	-	Term of the lease
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.

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 OPERATING LEASES

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

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 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.

1.10 CASH AT BANK AND IN HAND

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

1.11 LIABILITIES AND PROVISIONS

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

1.12 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in 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 instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.13 TAXATION

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

1. ACCOUNTING POLICIES (continued)

1.14 PENSIONS

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

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

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities 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.

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

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance leases required the Academy Trust 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.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	21,407	-	21,407	28,779
Capital Grants	-	-	8,635	8,635	8,635
	-	21,407	8,635	30,042	37,414
Total 2017	5,410	23,369	8,635	37,414	

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NOTES TO THE FINANCIAL STATEMENTS
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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	1,610,246	1,610,246	1,632,776
Other DfE Group grants	-	252,035	252,035	250,211
High Needs	-	36,862	36,862	25,649
Other Government grants	-	5,066	5,066	723
Internal catering income	27,705	-	27,705	31,476
Sales to students	212	-	212	11
Other	2,640	-	2,640	1,425
	<u>30,557</u>	<u>1,904,209</u>	<u>1,934,766</u>	<u>1,942,271</u>
Total 2017	<u>32,912</u>	<u>1,909,359</u>	<u>1,942,271</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	-	-	-	50
External catering	3,214	-	3,214	2,967
Fees received	46,427	-	46,427	53,042
Other	1,161	-	1,161	162
	<u>50,802</u>	<u>-</u>	<u>50,802</u>	<u>56,221</u>
Total 2017	<u>56,221</u>	<u>-</u>	<u>56,221</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest received	883	-	883	4,840
Total 2017	<u>4,840</u>	<u>-</u>	<u>4,840</u>	

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6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading	33,108	350			34,373
Direct costs	-	-	38,126	38,126	-
Support costs	-	-	-	-	-
Activities:					
Direct costs	1,374,189	112,374	115,557	1,602,120	1,547,422
Support costs	331,590	61,410	185,308	578,308	584,010
	<u>1,738,887</u>	<u>174,134</u>	<u>338,991</u>	<u>2,218,554</u>	<u>2,165,805</u>
Total 2017	<u>1,733,776</u>	<u>141,277</u>	<u>290,752</u>	<u>2,165,805</u>	

7. DIRECT COSTS

	Total 2018 £	Total 2017 £
Pension interest	31,000	25,000
Educational supplies	117,082	118,015
Staff development	15,170	4,658
Other costs	18,431	18,603
Supply teachers	4,557	45,008
Wages and salaries	1,023,170	992,960
National insurance	83,078	83,182
Pension cost	263,384	251,973
Depreciation	46,248	8,023
	<u>1,602,120</u>	<u>1,547,422</u>
Total 2017	<u>1,547,422</u>	

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

8. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Recruitment and support	2,773	1,814
Maintenance of premises and equipment	29,795	25,882
Cleaning	5,807	4,675
Rent and rates	11,678	15,849
Energy costs	18,496	13,538
Insurance	13,039	13,473
Security and transport	813	1,045
Catering	49,649	51,292
Office overheads	34,106	35,528
Legal and professional	6,625	6,179
Bank interest and charges	128	153
Governance	12,613	13,407
Wages and salaries	226,509	227,100
National insurance	14,186	14,359
Pension cost	90,895	86,406
Depreciation	61,196	73,310
	<u>578,308</u>	<u>584,010</u>
Total 2017	<u>584,010</u>	

9. NET INCOME / (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the Academy Trust	107,444	81,333
Auditors' remuneration - audit	4,950	4,250
Auditors' remuneration - other services	4,415	3,640
Operating lease rentals	4,676	4,676
	<u>121,485</u>	<u>93,900</u>

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

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	1,275,581	1,248,710
Social security costs	97,264	97,542
Operating costs of defined benefit pension schemes	358,485	342,516
	<u>1,731,330</u>	<u>1,688,768</u>
Agency staff costs	4,557	45,008
Staff restructuring costs	3,000	-
	<u>1,738,887</u>	<u>1,733,776</u>

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

Included in staff restructuring costs are non statutory/non contractual severance payments totalling £3,000 (2017: £nil).

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	20	19
Education support	46	45
Administration and clerical	5	5
Management	2	2
	<u>73</u>	<u>71</u>

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	14	16
Education support	27	29
Administration and clerical	4	4
Management	2	2
	<u>47</u>	<u>51</u>

d. Higher paid staff

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS (continued)

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) received by key management personnel for their services to the Academy was £429,370 (2017: £407,253).

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.

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017: £275 to 3 Trustees).

The Head teacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of head teacher and staff and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The value of Trustees' remuneration in the year was as follows;

S Stell: Remuneration £65,000 - £70,000 (2017: £65,000 - £70,000), Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000), S Pike: Remuneration £50,000 - £55,000 (2017: £45,000 - £50,000) Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000), N Turner: Remuneration £45,000 - £50,000 (2017: £40,000 - £45,000) Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000).

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 and the cost for the year ended 31 August 2018 was £109 (2017: £787).

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

13. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
COST				
At 1 September 2017	3,479,581	333,312	163,398	3,976,291
Additions	14,724	20,075	16,808	51,607
At 31 August 2018	<u>3,494,305</u>	<u>353,387</u>	<u>180,206</u>	<u>4,027,898</u>
DEPRECIATION				
At 1 September 2017	179,544	259,750	123,898	563,192
Charge for the year	61,880	28,604	16,960	107,444
At 31 August 2018	<u>241,424</u>	<u>288,354</u>	<u>140,858</u>	<u>670,636</u>
NET BOOK VALUE				
At 31 August 2018	<u>3,252,881</u>	<u>65,033</u>	<u>39,348</u>	<u>3,357,262</u>
At 31 August 2017	<u>3,300,037</u>	<u>73,562</u>	<u>39,500</u>	<u>3,413,099</u>

14. DEBTORS

	2018 £	2017 £
VAT repayable	17,550	18,437
Prepayments and accrued income	44,203	45,028
	<u>61,753</u>	<u>63,465</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other taxation and social security	24,919	23,934
Accruals and deferred income	74,518	78,782
	<u>99,437</u>	<u>102,716</u>
DEFERRED INCOME		
Deferred income at 1 September 2017	35,616	46,406
Resources deferred during the year	34,032	35,816
Amounts released from previous years	(35,616)	(46,606)
Deferred income at 31 August 2018	<u>34,032</u>	<u>35,616</u>

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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

At the year end income relating to Universal Infant Free School Meals funding was deferred as they relate to the 2018/19 financial year.

16. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at fair value through income and expenditure	461,581	441,243
Financial assets measured at amortised cost	17,550	18,437
	<u>479,131</u>	<u>459,680</u>
Financial liabilities measured at amortised cost	<u>(1,205,919)</u>	<u>(1,204,934)</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise VAT recoverable.

Financial liabilities measured at amortised cost comprise taxation and social security, and the defined benefit pension deficit.

ST MARGARET'S ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
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)	-	-
	75,265	82,242	(75,741)	-	-	81,766
Total Unrestricted funds	220,265	82,242	(75,741)	-	-	226,766
RESTRICTED 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)
	(989,889)	1,925,616	(2,035,369)	(42,972)	281,000	(861,614)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	2,756,434	-	(57,971)	-	-	2,698,463
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
	3,413,099	8,635	(107,444)	42,972	-	3,357,262
Total restricted funds	2,423,210	1,934,251	(2,142,813)	-	281,000	2,495,648
Total of funds	2,643,475	2,016,493	(2,218,554)	-	281,000	2,722,414

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

17. STATEMENT OF FUNDS (continued)

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.

RESTRICTED FUNDS

General Annual Grant (GAG) - This funds includes income from the ESFA which is to be used for the 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 children and their wealthier peers.

PE & 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 - This funding was 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/income.

Pension reserve - This fund represents the pension deficit for the Local Government Pension Scheme.

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion - This represents the fixed assets transferred from the Local Authority on conversion.

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 - Grants received to be spent on capital related expenditure.

Capital grants transferred on conversion - This represents capital grants transferred from the Local Authority on conversion, to be spent on capital related expenditure.

Fixed assets purchased 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 that it could carry forward at 31 August 2018.

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17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
DESIGNATED FUNDS						
Future capital projects	84,000	-	-	61,000	-	145,000
GENERAL FUNDS						
General Funds	112,360	46,342	(42,121)	(41,316)	-	75,265
After school and breakfast clubs	-	53,042	(33,358)	(19,684)	-	-
Total Unrestricted funds	196,360	99,384	(75,479)	-	-	220,265
RESTRICTED FUNDS						
General Annual Grant (GAG)	221,073	1,632,776	(1,522,512)	(140,226)	-	191,111
High Needs	-	25,649	(25,649)	-	-	-
Donations	-	9,758	(9,758)	-	-	-
Pupil Premium	-	178,789	(191,355)	12,566	-	-
PE and sports grant	103	9,746	(10,113)	264	-	-
UIFSM	-	61,399	(72,995)	11,596	-	-
Other restricted grants	-	14,611	(14,611)	-	-	-
Pension reserve	(1,182,000)	-	(162,000)	-	163,000	(1,181,000)
	(960,824)	1,932,728	(2,008,993)	(115,800)	163,000	(989,889)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	2,784,297	-	(27,863)	-	-	2,756,434
Fixed assets purchased from GAG and other restricted funds	482,776	-	(48,847)	115,800	-	549,729
DfE/ESFA Capital Grants	41,207	8,635	(2,686)	-	-	47,156
Capital grants transferred on conversion	10,129	-	(221)	-	-	9,908
Fixed assets purchased from pupil premium	51,588	-	(1,716)	-	-	49,872
	3,369,997	8,635	(81,333)	115,800	-	3,413,099
Total restricted funds	2,409,173	1,941,363	(2,090,326)	-	163,000	2,423,210
Total of funds	2,605,533	2,040,747	(2,165,805)	-	163,000	2,643,475

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NOTES TO THE FINANCIAL STATEMENTS
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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	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)
Pension scheme liability	-	(1,069,000)	-	(1,069,000)
	<u>226,766</u>	<u>(861,614)</u>	<u>3,357,262</u>	<u>2,722,414</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	3,413,099	3,413,099
Current assets	220,265	293,827	-	514,092
Creditors due within one year	-	(102,716)	-	(102,716)
Provisions for liabilities and charges	-	(1,181,000)	-	(1,181,000)
	<u>220,265</u>	<u>(989,889)</u>	<u>3,413,099</u>	<u>2,643,475</u>

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(202,061)	(125,058)
Adjustment for:		
Depreciation charges	107,444	81,335
Interest received	883	2,504
(Increase)/decrease in stocks	(871)	205
Decrease in debtors	1,712	14,884
Decrease in creditors	(3,279)	(7,701)
Capital grants from DfE and other capital income	(8,635)	(8,635)
Defined benefit pension scheme adjustment	138,000	137,000
Defined benefit pension scheme finance cost	31,000	25,000
Net cash provided by operating activities	<u>64,193</u>	<u>119,534</u>

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

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	161,966	143,265
Notice deposits	299,615	297,978
	<u>461,581</u>	<u>441,243</u>

21. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September

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

21. PENSION COMMITMENTS (continued)

2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £114,859 (2017: £109,376).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £138,000 (2017: £127,000), of which employer's contributions totalled £106,000 (2017: £95,000) and employees' contributions totalled £32,000 (2017: £32,000). The agreed contribution rates for future years are 15.8% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Expected return on scheme assets at 31 August	3.30 %	3.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	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:

	2018	2017
Retiring today		
Males	23.5	23.4
Females	25.6	25.5
Retiring in 20 years		
Males	25.8	25.7
Females	28	27.9

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

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

21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	753,000	632,000
Bonds	24,000	26,000
Property	113,000	93,000
Cash	19,000	25,000
Gilts	39,000	33,000
Other	300,000	257,000
	<hr/>	<hr/>
Total market value of assets	1,248,000	1,066,000
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The actual return on scheme assets was £71,000 (2017: £107,000).

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

	2018 £	2017 £
Current service cost	(244,000)	(232,000)
Interest income	28,000	19,000
Interest cost	(59,000)	(44,000)
	<hr/>	<hr/>
Total	(275,000)	(257,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £	2017 £
Opening defined benefit obligation	2,247,000	2,022,000
Current service cost	244,000	232,000
Interest cost	59,000	44,000
Employee contributions	32,000	32,000
Actuarial gains	(239,000)	(51,000)
Benefits paid	(26,000)	(32,000)
	<hr/>	<hr/>
Closing defined benefit obligation	2,317,000	2,247,000
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ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

21. PENSION COMMITMENTS (continued)

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

	2018	2017
	£	£
Opening fair value of scheme assets	1,066,000	840,000
Return on plan assets (excluding net interest on the net defined pension liability)	29,000	20,000
Actuarial losses	42,000	112,000
Employer contributions	106,000	95,000
Employee contributions	32,000	32,000
Benefits paid	(26,000)	(32,000)
Administration expense	(1,000)	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,248,000	1,066,000
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ST MARGARET'S ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

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

22. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	1,887	4,676
Between 1 and 5 years	-	1,887
Total	<u>1,887</u>	<u>6,563</u>

23. MEMBERS' LIABILITY

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

24. 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.

25. RELATED PARTY TRANSACTIONS

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

Owing to the nature of the Academy Trust'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 Trust'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.