

REGISTERED COMPANY NUMBER: 07917752 (England and Wales)

**St Mary's Academy Trust
(A Company Limited by Guarantee)**

**Report of the Trustees and
Financial Statements for the Year Ended 31 August 2022**

Harris & Co Limited
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

St Mary's Academy Trust

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St Mary's Academy Trust

Reference and Administrative Details for the Year Ended 31 August 2022

MEMBERS:	Canon R Noake Rt Rev T Robinson H Thomas S Cook Rev H Roulston
TRUSTEES:	S Cook (Chair) C Ramskill L Wylie T Rodger M Priestley Father S Race N Leeder (Appointed December 2021)
SENIOR MANAGEMENT TEAM:	M Priestley - Chief Executive, Accounting Officer T Gulliver - Deputy Chief Executive L Spencer - Executive Head of St Mary's Primary School and Royston St John CE Primary School R Chambers - Head of The Mill Academy C Green - Acting Head of All Saints Academy S Kaufman - Head of Queens Road Academy R Marsh - Head of West Meadows Primary School J Lancett - Head of Darton Primary School P Wright - Head of Dodworth Primary S Silverwood - Head of Elsecar Primary
COMPANY NAME:	St Mary's Academy Trust
REGISTERED COMPANY NUMBER:	07917752 (England and Wales)
REGISTERED OFFICE:	Schofield Sweeney LLP Springfield House 76 Wellington Street Leeds, LS1 2AY
PRINCIPAL OPERATING OFFICE:	Old Tin Hat 1 Fountain Parade Mapplewell Barnsley, S75 6FW
INDEPENDENT AUDITORS:	Harris & Co Limited Chartered Accountants and Registered Auditor Marland House Huddersfield Road Barnsley, S70 2LW
BANKERS:	Virgin Money 1a Peel Square Barnsley, S70 2PL
SOLICITORS:	Schofield Sweeney LLP Springfield House 76 Wellington Street Leeds, LS21 2AY

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2022

The Trustees (who are also directors of the charity for the purposes of the Companies Act ("the Directors")) present their annual report together with the audited financial statements of St Mary's Academy Trust ("the Trust") for the year ended 31 August 2022. The Directors confirm that the annual report and financial statements of the Trust comply with current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice "Accounting and Reporting by Charities" effective from 1 January 2019, and the Financial Reporting Standard 102 (FRS102).

Structure, Governance and Management

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Trust was incorporated on 20 January 2012 and commenced operations on 1 February 2012 when St Mary's CofE (VA) Primary School converted to an academy. Other schools have joined the Trust on the following dates:

1 September 2012	-	All Saints Academy
1 September 2013	-	Queens Road Academy
1 December 2013	-	West Meadows Primary School
1 February 2014	-	Darton Primary School
1 September 2014	-	The Mill Academy
1 February 2016	-	Royston St Johns CE Primary
1 June 2019	-	Dodworth CE Primary
1 June 2019	-	Elsecar Primary

The Charitable Company's memorandum and articles of association are the primary governing documents of the Trust.

Details of the Trustees who served throughout the year (except as noted) are included in the Reference and Administrative Details on page 1.

Members' Liability

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

Purpose of the Trust

The Trust has entered into a funding agreement with the Education and Skills Funding Agency ("ESFA"), which provides the framework within which the Trust must operate. The principal object of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad curriculum.

The Trust Board

As a charity and company limited by guarantee, the Trust is governed by a Board of Trustees who are responsible for, and oversee, the management and administration of the Company and the academies run by the Company. The composition of the Board of Trustees shall be made up as follows:

- The Chief Executive,
- Staff Trustees appointed by the Governing body up to a maximum of one third of the total
- Up to 10 Trustees appointed by the Members.

The Board of Trustees comprises of members with a range of skills and expertise in education and business management. New Trustees holding the necessary skills are identified through national education networks including Governors for Schools. The Trustees meet at least half termly providing that critical friend perspective of key business decision.

The Board of Trustees has appointed a Local Governing Body ("LGB")/Performance Committee for each member academy which, for church schools, includes religious distinctiveness and which each has delegated powers to oversee the day to day running of that school.

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2022

In addition to the school's Local Governing Body there are four sub committees (finance, hr, governor assurance and performance) that oversee that oversee the financial performance of the Trust and trust policy framework. Our Chairs of Governors meet at least termly, this was introduced during the Pandemic to provide additional strategic leadership capacity. This has continued into this academic year to support schools through the Pandemic as well as the sharing of best practise and networking.

New Trustees and governors are inducted into the organisation through school visits and familiarisation with the vision, strategic plan and procedures in addition to appropriate training. A full induction pack including Code of Conduct, Role Description, Scheme of Delegation and supporting documentation is provided. The Trust employs a clerk to the board who supports Trustees and governors in their roles. The Trust has a central clerking service to provide professional support in all Trustee and governor meetings.

Risk Management

The Trustees have assessed the major risks to which St Marys Academy Trust is exposed and are working to mitigate and eliminate these risks. In order to do this, the risk management process involves the production of a detailed risk register accompanied by a range of mitigating strategies including ensuring policies are up to date, and that relevant members of the Executive team are assigned to own each risk.

The remit of the Governor Assurance Committee is to ensure risks are identified and mitigating activities are in place.

The Governor Assurance Committee and the Executive team alongside the Head teachers work to ensure processes are in play to manage key risks. The main focus areas are:

- Effectiveness of the payroll function
- Long term financial planning, financial risks and uncertainties - including the impact of inflation, pension scheme deficits, student numbers on roll and building conditions;
- Health and Safety;
- Safeguarding;
- Data Protection (GDPR);
- Business Continuity Planning;
- Financial Fraud.

The main risks facing St Marys Academy Trust are that schools do not meet National Expectations and consequently 'reputational' risk.

The risk register is comprehensive and deals with a wide range of matters. Where appropriate there is adequate insurance cover to mitigate any residual risks.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trust has a robust process for the scrutiny of staff performance and remuneration. The Trust reviews its pay policy annually and all salary pay scales are set out in the policy. The criteria for pay groups, bands and pay progression are set out in the Teachers Pay and Conditions document which forms the remit for the Academy Trusts pay structure for its Key Management Personnel. For any non-teaching staff, salaries are set using market comparison and are benchmarked against the CST's remuneration research document.

The Trusts senior leaders are directly line managed by the Chief Executive, who in turn is held to account by the Trust Board. All head teachers are line managed by the Deputy Chief Executive. There has been no changing to the grading structures within this academic year. Any changes to pay have been incremental as well as the cost of living increase.

Connected Organisations, including Related Party Relationships

The Trust is part of the Diocese of Wakefield Umbrella Trust, which continues the links that were in place before academy status when St. Mary's C of E Primary School Academy was a Church of England Voluntary Aided Primary School.

St Mary's Academy Trust

Report of the Trustees for the Year Ended 31 August 2022

Objects, Aims and Objectives

The principal object and activity of the charitable company for the period to which these financial statements relate is the operation of 9 primary schools, these being, St Marys, All Saints, Queens Road, Darton Primary, West Meadows, The Mill, Royston St Johns, Dodworth Primary and Elsecar Primary to provide education for pupils of different abilities between the ages of 4 and 11.

In accordance with the Funding Agreement made under section 482 of the Education Act 1996, as substituted by the Education Act 2002, between the Secretary of State for Children, Schools and Families and the Trust, all our schools are governed by Local Governing Bodies which exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the academies. The Funding Agreement specifies the admission arrangements, amongst other things, and that the curriculum, in substance, complies with statutory requirements.

Aims and Mission

The vision of the Trust is:

St Mary's Academy Trust is a family of schools founded upon our key values, delivering educational excellence in order that each child thrives within our safe and nurturing environment.

This is underpinned by the values and beliefs through which we operate:

- ▶ **Community** – we develop positive relationships with the wider community, built upon mutual trust, cohesion, removing barriers and providing memorable lifelong experiences for all.
- ▶ **Courage** – with enthusiasm, shared responsibility and pride, we push boundaries to deliver educational excellence and to challenge injustices, inequality and the status quo to ensure that a person's background does not shape who they are or what they can achieve.
- ▶ **Compassion** – in all that we do, including when faced with challenge or adversity, we treat all people with respect, demonstrating in our actions and behaviour empathy, kindness and tolerance for all.

Compliance statement

We acknowledge, as Trustees, that the Trust has complied with the Charity Commission's public benefit requirements during the period.

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2022

STRATEGIC REPORT

Achievement and performance

The Board of Trustees is mindful that the long term success of St Marys Academy Trust is critically dependent on the way we work with a large number of key stakeholders including:

Engagement with suppliers, customers and others in a business relationship with the trust

We seek to nurture open, trusting relationships with all stakeholders and maintain these relationships by offering our customers a consistently high quality service. We also aim to develop long term relationships with our customers and we use any customer feedback to drive continuous improvements to our service.

St Marys Academy Trust works hard to engage positively with our suppliers and the key to this is collaboration. Whilst we may negotiate for favourable payment terms, once any order is placed, we appreciate that wherever possible the commitment should be honoured. Any problems arising in this regard are properly and promptly dealt with to maintain the goodwill and benefits to earn. We always aim to meet payment terms so that any supplier is not impacted in a detrimental way. During this academic year this remained a priority for the Trust due to the pandemic as we are mindful a number of our suppliers are small businesses that rely upon our income. We have prioritised supplier relationships during this period as we see this as a way of supporting our local community.

Engagement with employees (including disabled persons)

We believe our staff are key to our success and therefore by creating a positive and supportive working culture we can provide our children with the best staff.

All schools within our Trust have regular staff briefings with their leadership teams that allow information to be shared throughout school. There is a Trust wide email communication that shares new policies, guidance and opportunities. During this academic year a key communication has been the Chief Executives emails to all staff identifying our next steps, providing reassurance and offering support.

Staff wellbeing is fundamental in a daily business and again has been of paramount importance this year. We have a robust absence management process supported by HR and occupational health. Staff are often supported by trained counsellors where this is required. During 2020/21 the Trust achieved Bronze status in the Be Well at Work for staff well being in addition to being recognised by the Local Authority for the work undertaken to support our staff. This last academic year all Head teachers have become Menopause Champions and a Wellbeing Board comprising of staff from across the Trust was established.

Staff continue to be provided with relevant CPD opportunities, whether this be to support them in their existing role or to assist future development for example leadership training through the National Professional Qualification (NPQ) leadership qualifications and supporting secondment opportunities.

We work as a family of schools with staff at all levels collaborating to share ideas and support each other.

The Trust has strong working relationship with the relevant unions as we see this as a key method of supporting our employees.

A key part of our policies are that they support our staff in having a work life balance and that is openly encouraged.

St Mary's Academy Trust

Report of the Trustees for the Year Ended 31 August 2022

STRATEGIC REPORT

Achievements and performance

This academic year the focus has firmly been on school improvement with a strong emphasis on closing the educational gap left behind due to Covid. A new moderation plan was introduced with combining external validation and professional development of middle and senior leaders. The outcome being validation of the quality of education within our settings alongside clear next steps for our school improvement.

The Trust has a strong profile of predominantly Good schools providing a strong quality of education. Where a school isn't at that standard there is a clear school improvement plan in place.

Schools saw external assessments reintroduced in 2022, as a Trust Key Stage 2 outcomes were pleasing, considering the disruption of the last two academic years. The concern and priority for the next academic year is addressing the low outcomes in Key Stage 1.

Key Stage Two

- RWM combined is broadly in line with National
- Maths attainment is slightly below national for expected and below for average scaled score.
- In Maths there is a gender gap in some schools which is being addressed in 2022/23.
- Reading attainment is above national at 77% compared to 74% national.
- Average scaled score in reading is below national.
- Girls outperform boys in scaled scores in reading in most schools.
- Writing attainment is in line with national at 68.6%, national is 69%
- GPS attainment is above national at 73.6% with national at 72%
- Average scaled score for GPS is below national

Key Stage One

- Reading at expected standard is below National
- Reading at Greater Depth is above National
- Writing at expected standard is below National
- Writing at Greater Depth is broadly in line with National
- Maths at expected standard is below National
- Maths at Greater Depth is broadly in line with National

Trust staffing, absence rates and retention data was strong consolidating our position as a good employer within the Academy sector. Staff wellbeing was and remains one of our key priorities and we were making excellent progress in enhancing our offer to staff.

As a Trust we have in place a strong and experienced Board of Trustees, this was strengthened further by the addition of a Safeguarding specialist. The Board are able to support the Trust Leadership in taking well informed, decisive and rapid decisions. The Trust has an experienced Leadership team, the addition of the Deputy CEO strengthened the school improvement arm with all systems and processes reviewed and improved.

Through robust arrangements the Trust remains in a financially secure position with healthy reserves that support the investment within the family of schools whilst also acting as a 'cushion' during the current cost of living crisis.

Compassionate leadership and collaboration have remained at the fore of our strategy for the academic year. Leaders and staff throughout the Trust have come together to make decisions in the interest of all, ensuring that our children, staff and families were well supported.

St Mary's Academy Trust

Report of the Trustees for the Year Ended 31 August 2022

STRATEGIC REPORT

Financial and risk management objectives and policies

As a Trust funded directly by the ESFA, funding streams are considered to be reasonably safe and secure. The main financial risk arises from possible changes in Government policy and funding levels. The Trustees have a risk management strategy which is being managed and will be under continual review during 2022/23. Operational risk registers have been developed at Academy level with the Head teachers that allow risks to be managed locally. The Trust continues to work with the Local Authority to implement new systems of managing risk, not only looking at the likelihood of risk but building in the compliance of measures to give a more holistic view of risk. This work involves streamlining our processes and minimising our manual intervention in data input.

Principal risks and uncertainties

There are a number of principal risks and uncertainties facing the Trust, the main one being the increasing costs of living, impacting on increasing costs distortional to the increase in funding. This is alongside the increasing SEMH need of our children.

Financial review

Financial position

The majority of the Trust's income for the period was obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants from the ESFA and from other government bodies. In accordance with SORP 2015 such grants are shown in the Statement of Financial Activities as restricted income.

During the year ended 31 August 2022 incoming resources reduced by £172k to £11,517k (2021: £11,689k), resources expended increased by £341k from £12,027k to £12,368k and net expenditure therefore totalled £851k (2021: £338k).

The actuarial gain for the year on the Local Government Pension Scheme (LGPS) was £8,624k (2021: £987k loss) which, with other movements, has resulted in an LGPS deficit of £2,515k at 31 August 2022 (2021: £10,469k).

As a result of the reduction in the LGPS deficit, at 31 August 2022, the Trust's total funds have increased significantly by £7,773k to net assets of £6,500k (2021: £1,273k net liabilities) comprising fixed assets of £7,674k (2021: £7,852k), net current assets of £1,341k (2021: £1,344k) including bank balances of £1,142k (2021: £1,219k), and a pension scheme liability of £2,515k (2021: £10,469k).

Investment policy

The Trustees have determined that all cash balances shall be held in interest earning reserve accounts and drawn into current accounts as and when needed to meet operational expenses.

The Trust will review its investment policy when reserves have grown sufficiently to warrant further investment consideration.

Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trust's "free reserves" are its funds after excluding restricted funds. "Free reserves" are therefore the resources the Trust has or can make available to spend for any or all of the Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Trust which is to be spent at the Trustees' discretion in furtherance of any of the Trust's objects, but which is not yet spent, committed or designated. The Trust's current level of free reserves is £757,610 (2021: £640,527) which is included within bank balances of £1,141,887 (2021: £1,218,676) and so which are adequate to cover any immediate call on reserves.

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2022

STRATEGIC REPORT

Reserves policy - continued

Demands on the Trust's reserves are likely to increase over the coming years due to the impact of the energy bills and the increasing staff costs, combined with reducing pupil numbers. The Board will develop a long-term policy to ensure there is sufficient working capital and reserves to cover potential contingencies. The level of reserves will be monitored throughout the year and any potential issues will be dealt with appropriately. Any surplus balances will be used to maximise the potential for all the member academies.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

In the longer term, pressures from unfunded teachers' and support staff pay awards together with significantly increased energy costs (for which some government support is available but only until March 2023) and general inflation are creating unsustainable pressures for schools and academy trusts. Without increases in per pupil funding to offset these cost increases, there is uncertainty around the medium to long-term outlook for many schools and trusts, including our own. This is a sector-wide issue that will need to be addressed by funding decisions from central government. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies

Fundraising

The Trust mainly relies on government allocations, however, for some events and activities we do rely on voluntary contributions from parents.

Plans for Future Periods

The Trust continues to explore growth opportunities. The Trust however, we will continue to work with the Diocese to discuss other growth opportunities in line with the Governments White Paper. At this time the priority is accelerating school improvement to close the educational/emotional gaps our children have developed whilst exploring growth.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

FUNDS HELD AS CUSTODIAN FOR OTHERS

The Academy Trust does not hold any funds as custodian trustee for other persons or organisations.

St Mary's Academy Trust
Report of the Trustees
for the Year Ended 31 August 2022

AUDITORS

The auditors, Harris & Co Limited are proposed for re-appointment.

Disclosure of Information to Auditors

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

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

The Board of Trustees has considered the professional services of its Auditor, Harris & Co Limited and recommends re-appointment.

The Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 14 December 2022 and signed on the board's behalf by:



.....
S L Cook – Chair of Trustees

St Mary's Academy Trust
Governance Statement
for the Year Ended 31 August 2022

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that St Mary's Academy Trust 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 local governing bodies and board of trustees has delegated the day to day responsibility to the 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 Mary's Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the local governing bodies and board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a possible
S Cook, Chair	5	6
C Ramskill	4	6
L Wylie	6	6
T Rodger	6	6
M Priestley	6	6
N Leeder	5	5
Father S Race	5	6

The board of trustees oversees the financial position of the Trust in addition to having a finance committee.

The Governance Assurance Committee met three times during the academic year. It is a sub-committee of the main board of trustees. Its purpose is to advise the Trust Board on the adequacy and effectiveness of the Trust's systems of internal control, its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money).

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
T Rodger	3	3
Father S Race	3	3
M Phillips	0	3

Review of Value for Money

The Accounting Officer has responsibility for ensuring that the trust 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.

As Accounting Officer, Melanie Priestley (CEO) has responsibility for ensuring that St Marys Academy Trust 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 St Marys Academy Trust use of its resource has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved.

St Mary's Academy Trust
Governance Statement
for the Year Ended 31 August 2022

Review of Value for Money - continued

Improving Value for Money in our academies is focussed on three areas:

- How we monitor and manage academies' progress in delivering the best outcomes for students.
- How well we procure goods and services.
- How we best deploy our staffing resources.

Regular monitoring is undertaken and reported to the Local Governing Bodies and Finance Committee. This academic year will focus on budget monitoring being presented and challenged through the Finance Committee to drive efficiencies and consistencies (where appropriate) through the budget.

Internal audits are undertaken annually at each academy by the internal auditor. The Trust continues to make improvements to the internal control framework and to provide challenge where processes are not being followed

The Trust benefits from economies of scale in some areas. Examples of this includes;

- Purchase of IT equipment
- Procurement of buildings insurance
- Disseminated CPD
- Centralised Information Management Systems

Trust regularly applies for grants to improve the fabric of all its buildings and this will continue next year for all the Trust schools.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mary's Academy Trust for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The local governing bodies and board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The local governing bodies and board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks, that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the local governing bodies and board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the local governing bodies and board of trustees;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

St Mary's Academy Trust
Governance Statement
for the Year Ended 31 August 2022

Review of Effectiveness

The Accounting Officer 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 audits;
- the work of the external auditors;
- the work of the Finance Manager;
- the work of the Audit Committee.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control 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 14 December 2022 and signed on its behalf by:



.....
S L Cook
Chair of Trustees



.....
M Priestley
Accounting Officer

St Mary's Academy Trust

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2022**

As accounting officer of St Mary's Academy Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academy Trust Handbook 2021.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. However, I have identified one instance of regularity breach which results from a connected party transaction not being reported to the ESFA in advance of the transaction taking place. If any further instances are identified after the date of this statement, material or otherwise, these will be notified to the board of trustees and ESFA.



.....
M Priestley - Accounting Officer

14 December 2022

St Mary's Academy Trust

Statement of Trustees' Responsibilities for the Year Ended 31 August 2022

The Trustees (who act as directors of St Mary's Academy Trust) 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 and 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 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 on 14 December 2022 and signed on its behalf by:



S L Cook – Chair of Trustee

Report of the Independent Auditors to the Members of St Mary's Academy Trust

Opinion

We have audited the financial statements of St Mary's Academy Trust (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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) and the Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and Academies Accounts Direction 2021 to 2022.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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 Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of St Mary's Academy Trust

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation, concerning the charitable company's policies and procedures relating to:
- Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- The internal controls established to mitigate risk related to fraud or non-compliance with laws & regulations;
- Obtaining an understanding of the legal and regulatory frameworks that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the charitable company. The key laws and regulations we considered in this context included the UK Companies Act, Charities SORP (FRS102), UK Generally Accepted Accounting Practice and the Education and Skills Funding Agency's (ESFA) Academy Trust Handbook and Accounts Direction.

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 Report of the Independent Auditors.

**Report of the Independent Auditors to the Members of
St Mary's Academy Trust**

Audit response to risks identifies

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risk of material misstatement due to fraud; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing the judgements used in accounting estimates to assess whether these may be indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Hinchliffe BA FCA (Senior Statutory Auditor)
for and on behalf of Harris & Co Limited
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Date: 14 December 2012

Independent Reporting Accountant's Assurance Report on Regularity to St Mary's Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Mary's Academy Trust during the period 1 September 2021 to 31 August 2022 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 Mary's Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Mary's Academy Trust 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 Mary's Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of St Mary's Academy Trust's funding agreement with the Secretary of State for Education dated 30 October 2014 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 period 1 September 2021 to 31 August 2022 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 2021 to 2022 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 charitable company's income and expenditure.

The work undertaken to draw our conclusion includes:

- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- evaluation of the general control environment of the Academy Trust;
- assessment and testing of a sample of the specific control activities over regularity of a particular activity;
- consideration of whether the activity is permissible within the Academy Trust's framework of authorities.

**Independent Reporting Accountant's Assurance Report on Regularity to
St Mary's Academy Trust and the Education and Skills Funding Agency**

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 period 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them. However, as noted in the Statement of Regularity, Propriety and Compliance on page 13, one instance of regularity breach has been identified which results from a connected party transaction not being reported to the ESFA in advance of the transaction taking place.

H&Co

Harris & Co Limited
Chartered Accountants
Reporting Accountant
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

Date: *14 Dec 2022*

St Mary's Academy Trust

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2022

	Notes	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset £	2022 Total funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	2,000	-	371,918	373,918	736,923
Charitable activities						
Funding for the academy's educational operations	3	282,805	10,747,053	-	11,029,858	10,863,248
Other trading activities	4	111,689	-	-	111,689	86,955
Investment income	5	1,709	-	-	1,709	2,252
Total		<u>398,203</u>	<u>10,747,053</u>	<u>371,918</u>	<u>11,517,174</u>	<u>11,689,378</u>
EXPENDITURE ON						
Charitable activities						
Academy's educational operations	7	281,120	11,503,766	583,775	12,368,661	12,027,231
Total		<u>281,120</u>	<u>11,503,766</u>	<u>583,775</u>	<u>12,368,661</u>	<u>12,027,231</u>
NET INCOME/(EXPENDITURE)						
Other recognised gains/(losses)		117,083	(756,713)	(211,857)	(851,487)	(337,853)
Actuarial gains/(losses) on defined benefit schemes		-	8,624,000	-	8,624,000	(987,000)
Net movement in funds		117,083	7,867,287	(211,857)	7,772,513	(1,324,853)
RECONCILIATION OF FUNDS						
Total funds brought forward		640,527	(10,131,760)	8,218,547	(1,272,686)	52,167
TOTAL FUNDS CARRIED FORWARD		<u>757,610</u>	<u>(2,264,473)</u>	<u>8,006,690</u>	<u>6,499,827</u>	<u>(1,272,686)</u>

The notes form part of these financial statements

St Mary's Academy Trust (Registered number: 07917752)

Balance Sheet
31 August 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	13	39,333	-
Tangible assets	14	<u>7,634,174</u>	<u>7,852,467</u>
		7,673,507	7,852,467
CURRENT ASSETS			
Stocks	15	300	300
Debtors	16	1,010,933	902,400
Cash at bank		<u>1,141,887</u>	<u>1,218,676</u>
		2,153,120	2,121,376
CREDITORS			
Amounts falling due within one year	17	(811,800)	(777,529)
NET CURRENT ASSETS		<u>1,341,320</u>	<u>1,343,847</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,014,827	9,196,314
PENSION LIABILITY	20	(2,515,000)	(10,469,000)
NET ASSETS/(LIABILITIES)		<u>6,499,827</u>	<u>(1,272,686)</u>
FUNDS	19		
Restricted funds:			
Restricted General		250,527	337,240
Restricted Fixed Asset		8,006,690	8,218,547
Restricted - Pension		<u>(2,515,000)</u>	<u>(10,469,000)</u>
		<u>5,742,217</u>	<u>(1,913,213)</u>
Unrestricted funds:			
General fund		<u>757,610</u>	<u>640,527</u>
TOTAL FUNDS		<u>6,499,827</u>	<u>(1,272,686)</u>

The financial statements were approved by the Board of Trustees and authorised for issue on 14 December 2022 and were signed on its behalf by:


.....
Mrs S L Cook - Trustee

The notes form part of these financial statements

St Mary's Academy Trust
Cash Flow Statement
for the Year Ended 31 August 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(312,207)</u>	<u>(311,052)</u>
Net cash used in operating activities		<u>(312,207)</u>	<u>(311,052)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(42,142)	-
Purchase of tangible fixed assets		(96,067)	(188,683)
Capital grants from DfE/EFA		371,918	733,667
Interest received		<u>1,709</u>	<u>2,252</u>
Net cash provided by investing activities		<u>235,418</u>	<u>547,236</u>
Change in cash and cash equivalents in the reporting period			
		(76,789)	236,184
Cash and cash equivalents at the beginning of the reporting period		<u>1,218,676</u>	<u>982,492</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,141,887</u></u>	<u><u>1,218,676</u></u>

The notes form part of these financial statements

St Mary's Academy Trust

Notes to the Cash Flow Statement
for the Year Ended 31 August 2022

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(851,487)	(337,853)
Adjustments for:		
Depreciation charges	317,169	313,746
Capital grants from DfE/ESFA	(371,918)	(733,667)
Interest received	(1,709)	(2,252)
Increase in debtors	(108,533)	(420,974)
Increase in creditors	34,271	355,948
Difference between pension charge and cash contributions	<u>670,000</u>	<u>514,000</u>
Net cash used in operations	<u>(312,207)</u>	<u>(311,052)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/9/21 £	Cash flow £	At 31/8/22 £
Net cash			
Cash at bank	<u>1,218,676</u>	<u>(76,789)</u>	<u>1,141,887</u>
	<u>1,218,676</u>	<u>(76,789)</u>	<u>1,141,887</u>
Total	<u><u>1,218,676</u></u>	<u><u>(76,789)</u></u>	<u><u>1,141,887</u></u>

St Mary's Academy Trust
Notes to the Financial Statements
for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Mary's Academy Trust constitutes a public benefit entity as defined by FRS 102. The academy trust is a company limited by guarantee and is incorporated in England and Wales.

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. Further information on the Trust's balance sheet position is included in the Trustees Report Financial Review (page 7). The significant increase in balance sheet net assets reflects the reduced LGPS pension scheme liability which is not a current liability. Accordingly, as explained in the Financial Review, the trustees continue to adopt the going concern basis in preparing the financial statements.

As noted in the Trustees Report, in the longer term, pressures from unfunded teachers' and support staff pay awards together with significantly increased energy costs (for which some government support is available but only until March 2023) and general inflation are creating unsustainable pressures for schools and academy trusts. Without increases in per pupil funding to offset these cost increases, there is uncertainty around the medium to long-term outlook for many schools and trusts, including our own. This is a sector-wide issue that will need to be addressed by funding decisions from central government.

Critical accounting judgements and key sources of estimation uncertainty

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 the notes to the accounts, 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 2022. 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.

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

Critical areas of judgment:

A critical area of judgement is the treatment of the church school premises, the treatment of which is as stated in the accounting policies.

Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

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

Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

Intangible fixed assets and amortisation

Intangible assets costing more than £1,000 are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over the expected useful lives on the following bases:

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES - continued

Intangible fixed assets and amortisation

Software - Straight line over 3 years

Tangible fixed assets

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

Four of the school premises which the Academy Trust occupies are on long term lease to the Academy Trust from the Local Authority and from the Diocese. The part of the sites that are leased from the Local Authority are purely land (other than a conservatory at Dodworth St John the Baptist CE Primary Academy) and have been recognised on the balance sheet of the Academy Trust at the depreciated replacement cost valuation on the conversion date. Control over the parts of the school premises leased from the Diocese remain with the Diocese and so these elements are not recognised on the balance sheet of the Academy Trust.

For church school premises that are not on the balance sheet the Accounts Direction requires that an annual donation for rent should be recognised equal to what the Academy Trust would have to pay to secure premises, if such a figure can be reliably measured. Since there is no open market for such transactions this amount cannot be reliably measured and so no donation has been recognised. Subsequent expenditure on the church school premises out of capital grants are included as expenditure in the Statement of Financial Activities as a premises repair cost.

Four of the school premises which the Academy Trust occupies are leased from the Local Authority only, and the treatment of these premises remain unchanged,

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Assets inherited on conversion (other than land and buildings) are depreciated over their estimated remaining useful life, as at the date of conversion.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

	Straight line over, 22, 30, 45 and 50 years (10 years for
- Long Term Leasehold Property:	improvements)
- Fixtures and fittings:	15% reducing balance
- Computer equipment:	Straight line over 3 years

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

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:

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to the accounts. Prepayments are not financial instruments.

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

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.

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.

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.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education and Skills Funding Agency.

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

Operating lease commitments

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

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is a multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Debtors

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

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.

Liabilities and provisions

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

Private finance initiative

Queens Road Academy and Darton Primary School were originally built under a PFI contract by a PFI contractor on behalf of BMBC where the responsibility for making available the land & buildings needed to provide the services passed to the PFI contractor.

As BMBC was originally deemed to control the services provided under its PFI schemes and as ownership of the land & buildings would pass to BMBC at the end of the contracts for no additional charge, BMBC originally carried those assets used in delivering the services on its own balance sheet. On transfer of those assets from BMBC to the Trust, BMBC derecognised those assets from its balance sheet as disposals for nil consideration. Following those transfers, since the substance of the PFI agreement is now similar for the Trust as previously for BMBC and to ensure consistency of accounting treatment between BMBC and the Trust, those assets are treated as acquired from BMBC on conversion to academy status and recorded at fair value at date of acquisition in the Trust accounts.

St Mary's Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES - continued

Private finance initiative - continued

Notwithstanding the de-recognition / disposal of the assets, BMBC has retained as a finance lease liability its total obligation to the contractor under these PFI agreements. In order to ensure consistency of accounting treatment between BMBC and the Trust payments made by the Trust to BMBC or the contractor in respect of these agreements are therefore treated as operating lease payments. These payments represent annual charges under the PFI agreement which are subject to a fixed formula but will vary over time; therefore the annual charges are expensed to the Statement of Financial Activities in the year to which they relate as this treatment is considered to be more appropriate than recognition on a straight line basis.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Donations	2,000	-	2,000	3,256
Grants	<u>-</u>	<u>371,918</u>	<u>371,918</u>	<u>733,667</u>
	<u>2,000</u>	<u>371,918</u>	<u>373,918</u>	<u>736,923</u>

Grants received, included in the above, are as follows:

	2022 £	2021 £
Capital grants	<u>371,918</u>	<u>733,667</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,320,792	8,320,792	8,049,208
Other EFA grants	-	76,536	76,536	13,494
Pupil Premium	-	663,275	663,275	680,479
Teachers Pay and Pension Grant	-	28,152	28,152	363,223
PFI Income	-	293,535	293,535	289,311
PE and Sport Grant	-	159,800	159,800	207,125
Recovery premium, national tutoring and other Covid-19 support funding	-	229,703	229,703	162,305
Universal Infant Free School Meals	-	<u>248,709</u>	<u>248,709</u>	<u>242,804</u>
	-	<u>10,020,502</u>	<u>10,020,502</u>	<u>10,007,949</u>
Other Government grants				
Early years funding	-	505,625	505,625	508,571
Other LA funding	-	34,794	34,794	18,769
High Needs Funding	-	<u>186,132</u>	<u>186,132</u>	<u>188,625</u>
	-	<u>726,551</u>	<u>726,551</u>	<u>715,965</u>
Other income from the academy's educational operations	<u>282,805</u>	-	<u>282,805</u>	<u>139,334</u>
	<u>282,805</u>	<u>10,747,053</u>	<u>11,029,858</u>	<u>10,863,248</u>

There are no unfulfilled conditions at the year end with regards to the amounts included in the above government grants.

St Mary's Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Other income	<u>111,689</u>	<u>-</u>	<u>111,689</u>	<u>86,955</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Bank interest	<u>1,709</u>	<u>-</u>	<u>1,709</u>	<u>2,252</u>

6. EXPENDITURE

	Non-pay expenditure			2022	2021
	Staff costs £	Premises £	Other costs £	Total £	Total £
Charitable activities					
Academy's educational operations					
Direct costs	7,972,532	-	1,068,957	9,041,489	8,795,816
Allocated support costs	<u>1,289,397</u>	<u>1,281,532</u>	<u>756,243</u>	<u>3,327,172</u>	<u>3,231,415</u>
	<u>9,261,929</u>	<u>1,281,532</u>	<u>1,825,200</u>	<u>12,368,661</u>	<u>12,027,231</u>

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Auditors' remuneration	26,000	26,000
Internal audit services	2,700	2,500
Depreciation - owned assets	314,360	313,746
Other operating leases	8,275	11,130
Computer software amortisation	2,809	-
Operating lease rentals - PFI charges	502,749	486,544
Operating lease rentals - building leasing charges	<u>18,000</u>	<u>15,000</u>

Included in premises costs within allocated support costs is £231,437 (2021: £409,696) relating to improvements to diocesan property occupied by the Academy Trust, most of which have been funded by CIF capital grants.

In 2021 of the total expenditure of £12,027,231, £101,402 was to unrestricted funds, £654,645 was to restricted fixed asset funds and £11,271,184 was to restricted general funds.

Of the £502,749 (2021: £486,544) PFI charges, £293,535 (2021: £289,311) was reimbursed by the ESFA as PFI affordability gap income.

St Mary's Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
Direct costs	110,441	8,931,048	9,041,489	8,795,816
Support costs	170,679	3,156,493	3,327,172	3,231,415
	<u>281,120</u>	<u>12,087,541</u>	<u>12,368,661</u>	<u>12,027,231</u>

	2022 Total £	2021 Total £
Analysis of support costs		
Support staff costs	1,233,483	1,134,276
Depreciation	59,037	49,840
Technology costs	55,292	77,328
Premises costs	1,267,529	1,333,707
Other support costs	613,214	544,138
Governance costs	98,617	92,126
Total support costs	<u>3,327,172</u>	<u>3,231,415</u>

8. STAFF COSTS

	2022 £	2021 £
Wages and salaries	6,454,808	6,406,526
Social security costs	561,184	539,113
Operating costs of defined benefit pension schemes	<u>1,950,762</u>	<u>1,842,289</u>
	8,966,754	8,787,928
Supply teacher costs	295,175	267,661
Compensation payments	-	33,682
	<u>9,261,929</u>	<u>9,089,271</u>

Included in wages and salaries is £182,000 (2021: £156,000) relating to pension interest.

Included in social security costs is £16,168 (2021: £13,036) relating to the apprenticeship levy.

Staff restructuring costs comprise:

	2022 £	2021 £
Severance payments	<u>-</u>	<u>36,757</u>

There were no settlement agreements made during the year to 31 August 2022 (2021 included 1 settlement agreement of which £36,757 was accrued for and included as an expense in 2021, which was paid during this year).

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2022**

8. STAFF COSTS - continued

The average number of persons employed by the academy during the year expressed as full time equivalents:

	2022	2021
Teachers	85	83
Teaching assistants	73	82
Administration and support	45	46
Management	10	10
	213	221

The key management personnel of the Academy trust comprises the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust for the year was £816,372 (2021: £808,542).

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2022	2021
Teachers	96	94
Teaching assistants	107	127
Administration and support	123	107
Management	10	10
	336	338

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

	2022	2021
£60,001 - £70,000	3	5
£70,001 - £80,000	2	2
£80,001 - £90,000	1	-
£100,000 - £110,000	-	1
	6	8

The above employees all had retirement benefits accruing under the defined Teachers' Pension Scheme and Local Government Pension Scheme.

9. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

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

		2022	2021
M Priestley	Remuneration	85,000 - 90,000	75,000 - 80,000
	Pension contributions paid	15,000 - 20,000	10,000 - 15,000
S J Walls	Remuneration	-	100,000 - 105,000
	Pension contributions paid	-	15,000 - 20,000

St Mary's Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

10. 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 £10,000,000 on any one executive or organisation liability claim and £250,000 on any one employment practices liability claim.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	3,256	-	733,667	736,923
Charitable activities				
Funding for the academy's educational operations	139,334	10,723,914	-	10,863,248
Other trading activities	86,955	-	-	86,955
Investment income	2,252	-	-	2,252
Total	<u>231,797</u>	<u>10,723,914</u>	<u>733,667</u>	<u>11,689,378</u>
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	101,402	11,271,184	654,645	12,027,231
Total	<u>101,402</u>	<u>11,271,184</u>	<u>654,645</u>	<u>12,027,231</u>
NET INCOME/(EXPENDITURE)	130,395	(547,270)	79,022	(337,853)
Other recognised gains/(losses)				
Actuarial gains/(losses) on defined benefit schemes	-	(987,000)	-	(987,000)
Net movement in funds	130,395	(1,534,270)	79,022	(1,324,853)
RECONCILIATION OF FUNDS				
Total funds brought forward	510,132	(8,597,490)	8,139,525	52,167
TOTAL FUNDS CARRIED FORWARD	<u>640,527</u>	<u>(10,131,760)</u>	<u>8,218,547</u>	<u>(1,272,686)</u>

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2022**

12. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- human resources;
- financial services;
- legal services;
- education support services and strategic guidance; and
- others as arising

The Academy Trust charges for these services on the following basis as a flat percentage of school budget income varying from 6%

The actual amounts charged during the year were as follows:

	2022	2021
	£	£
St Mary's CE Primary School	74,382	69,753
All Saints Academy	75,288	67,439
Queens Road Academy	89,244	92,910
West Meadows Primary School	84,421	76,692
Darton Primary School	99,372	90,777
The Mill Academy	84,142	77,252
Royston St John Baptist CE Primary	71,929	68,514
Dodworth St John The Baptist CE Primary Academy	65,171	69,045
Elsecar Holy Trinity CE Primary Academy	<u>62,904</u>	<u>60,982</u>
 Total	 <u><u>706,853</u></u>	 <u><u>673,364</u></u>

13. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
Additions	<u>42,142</u>
AMORTISATION	
Charge for year	<u>2,809</u>
NET BOOK VALUE	
At 31 August 2022	<u><u>39,333</u></u>
At 31 August 2021	<u><u>-</u></u>

St Mary's Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

14. TANGIBLE FIXED ASSETS

	Long leasehold £	Furniture and equipment £	Computer equipment £	Totals £
COST				
At 1 September 2021	9,047,175	179,604	714,939	9,941,718
Additions	<u>23,115</u>	<u>48,511</u>	<u>24,441</u>	<u>96,067</u>
At 31 August 2022	<u>9,070,290</u>	<u>228,115</u>	<u>739,380</u>	<u>10,037,785</u>
DEPRECIATION				
At 1 September 2021	1,432,993	97,902	558,356	2,089,251
Charge for year	<u>203,682</u>	<u>16,050</u>	<u>94,628</u>	<u>314,360</u>
At 31 August 2022	<u>1,636,675</u>	<u>113,952</u>	<u>652,984</u>	<u>2,403,611</u>
NET BOOK VALUE				
At 31 August 2022	<u>7,433,615</u>	<u>114,163</u>	<u>86,396</u>	<u>7,634,174</u>
At 31 August 2021	<u>7,614,182</u>	<u>81,702</u>	<u>156,583</u>	<u>7,852,467</u>

Leasehold land and buildings includes land of £877,340 which is not depreciated. See 'tangible fixed assets' accounting policy for further information relating to the treatment of the church school premises.

15. STOCKS

	2022 £	2021 £
Sundry items	<u>300</u>	<u>300</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	54,792	25,116
Other debtors	-	12,605
VAT	411,120	350,519
Prepayments and accrued income	<u>545,021</u>	<u>514,160</u>
	<u>1,010,933</u>	<u>902,400</u>

St Mary's Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	335,040	266,332
Other creditors	42,420	32,664
Accruals and deferred income	434,340	478,533
	<u>811,800</u>	<u>777,529</u>

	2022	2021
	£	£
Deferred income		
Deferred income as at 1 September 2021	151,501	145,516
Resources deferred during the year	245,581	151,501
Amounts released from previous years	<u>(151,501)</u>	<u>(145,516)</u>
Deferred income as at 31 August 2022	<u>245,581</u>	<u>151,501</u>

The main components of deferred income are monies collected prior to 31 August 2022 for 2022/23 universal infant free school meal funding received in July 2022 for September 2022 totalling £147,584 (2021: £133,570).

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	Restricted Fixed Asset	2022 Total funds
	£	£	£	£
Fixed assets	-	-	7,673,507	7,673,507
Current assets	757,610	1,062,327	333,183	2,153,120
Current liabilities	-	(811,800)	-	(811,800)
Pension liability	-	<u>(2,515,000)</u>	-	<u>(2,515,000)</u>
	<u>757,610</u>	<u>(2,264,473)</u>	<u>8,006,690</u>	<u>6,499,827</u>

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

	Unrestricted fund	Restricted funds	Restricted Fixed Asset	2021 Total funds
	£	£	£	£
Fixed assets	-	-	7,852,467	7,852,467
Current assets	640,527	959,718	521,131	2,121,376
Current liabilities	-	(622,478)	(155,051)	(777,529)
Pension liability	-	<u>(10,469,000)</u>	-	<u>(10,469,000)</u>
	<u>640,527</u>	<u>(10,131,760)</u>	<u>8,218,547</u>	<u>(1,272,686)</u>

St Mary's Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

19. MOVEMENT IN FUNDS

	Balance at 1 September 2021	Income	Expenditure	Gains/ (Losses)	Balance at 31 August 2022
Restricted general funds					
General Annual Grant (GAG)	332,240	8,320,792	(8,407,505)		245,527
PFI Income	-	293,535	(293,535)		-
Other DfE/ESFA grants	-	76,536	(76,536)		-
Other restricted grants	-	2,056,190	(2,056,190)		-
Conversion grants	5,000	-	-		5,000
Pension	(10,469,000)	-	(670,000)	8,624,000	(2,515,000)
	<u>(10,131,760)</u>	<u>10,747,053</u>	<u>(11,503,766)</u>	<u>8,624,000</u>	<u>(2,264,473)</u>
Restricted fixed asset funds					
Assets transferred on conversion	7,448,291		(182,530)		7,265,761
Expenditure from other funds	212,893	-	(31,434)		181,459
DfE capital grants	553,582	371,918	(369,811)		555,689
Other capital donations	3,781				3,781
	<u>8,218,547</u>	<u>371,918</u>	<u>(583,775)</u>	<u>-</u>	<u>8,006,690</u>
Total restricted funds	(1,913,213)	11,118,971	(12,087,541)	8,624,000	5,742,217
Total unrestricted funds	640,527	398,203	(281,120)		757,610
Total funds	(1,272,686)	11,517,174	(12,368,661)	8,624,000	6,499,827

St Mary's Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

19. MOVEMENT IN FUNDS - continued

	Balance at 1 September 2020	Income	Expenditure	Gains/ (Losses)	Balance at 31 August 2021
Restricted general funds					
General Annual Grant (GAG)	353,212	8,049,208	(8,070,180)	-	332,240
PFI Income		289,311	(289,311)	-	-
Other DfE/ESFA grants	-	1,669,429	(1,669,429)	-	-
Other restricted grants	12,298	715,966	(728,264)	-	-
Conversion grants	5,000	-	-	-	5,000
Pension	(8,968,000)	-	(514,000)	(987,000)	(10,469,000)
	<u>(8,597,490)</u>	<u>10,723,914</u>	<u>(11,271,184)</u>	<u>(987,000)</u>	<u>(10,131,760)</u>
Restricted fixed asset funds					
Assets transferred on conversion	7,641,421	-	(193,130)	-	7,448,291
Expenditure from other funds	248,332	-	(35,439)	-	212,893
DfE capital grants	245,991	733,667	(426,076)	-	553,582
Other capital donations	3,781	-	-	-	3,781
	<u>8,139,525</u>	<u>733,667</u>	<u>(654,645)</u>	<u>-</u>	<u>8,218,547</u>
Total restricted funds	(457,965)	11,457,581	(11,925,829)	(987,000)	(1,913,213)
Total unrestricted funds	510,132	231,797	(101,402)	-	640,527
Total funds	52,167	11,689,378	(12,027,231)	(987,000)	(1,272,686)

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

1. Restricted general funds must be used for the normal running costs of the Academy in line with the Master Funding Agreement and restrictions from other sources of funding. The transfer between restricted funds and restricted fixed asset funds relates to fixed asset purchased from GAG.

2. Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the Trust.

The restricted pension fund is in deficit to the value of £10,469,000 as at 31 August 2022, which is in excess of the unrestricted funds. However this deficit has been inherited upon conversion of the Trust's schools to Academy status together with movement on the actuarial valuation since conversion, and is being funded by additional contributions over periods up to 20 years following conversion. The trustees will continue to monitor this situation closely.

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 2022.

Analysis of academies by fund balance

Total reserves before fixed asset fund and pension reserve are not split between academies as closing reserves are pooled to the Academy Trust, not to individual academies. Closing reserves are spent as the Academy Trust sees fit to benefit pupils.

St Mary's Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

19. MOVEMENT IN FUNDS - continued

Analysis of academies by cost

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2022	Total 2021
St Mary's	804,742	127,658	72,532	181,850	1,186,781	1,101,021
All Saints	839,692	75,917	53,455	219,251	1,188,315	1,140,532
Queens Road	941,733	79,654	80,003	291,349	1,392,740	1,350,169
West Meadows	981,810	77,769	78,966	149,693	1,288,239	1,266,200
Darton	1,001,464	62,524	97,646	368,309	1,529,943	1,272,700
The Mill	938,333	146,931	73,855	218,119	1,377,238	1,417,299
Royston	797,423	108,002	69,739	127,476	1,102,639	1,009,224
Dodworth	782,258	73,782	49,873	255,597	1,161,510	1,455,109
Elsecar	663,805	43,757	65,906	128,764	902,232	837,658
Central Services	221,272	493,402	42,838	164,343	921,855	863,573
	7,972,533	1,289,397	684,812	2,104,751	12,051,492	11,713,485

20. PENSION AND SIMILAR OBLIGATIONS

The charity's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Yorkshire Pensions Authority. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS to the period ended 31 March 2019.

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

Teachers' pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2022

20. PENSION AND SIMILAR OBLIGATIONS - continued

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £827,454 (2021 - £845,600).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity 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 2022 was £584k (2021: £601k), of which employer's contributions totalled £445k (2021: £435k) and employees' contributions totalled £139k (2021: £166k). The agreed contribution rates for future years are 15% for employers and 5.5% to 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.

As the LGPS is in deficit the Trust entered into a 20 year agreement, based on actuarial advice, to make additional contributions in addition to normal funding levels. In the year ended 31 August 2022, additional contributions totalled £181k (2021: £229k).

St Mary's Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

20. PENSION AND SIMILAR OBLIGATIONS - continued

The amounts recognised in the Balance Sheet are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Present value of funded obligations	(11,285,000)	(18,755,000)
Fair value of plan assets	<u>8,770,000</u>	<u>8,286,000</u>
	(2,515,000)	(10,469,000)
Present value of unfunded obligations	<u>-</u>	<u>-</u>
Deficit	<u>(2,515,000)</u>	<u>(10,469,000)</u>
Net liability	<u>(2,515,000)</u>	<u>(10,469,000)</u>

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

	Defined benefit pension plans	
	2022	2021
	£	£
Current service cost	1,170,000	991,000
Net interest from net defined benefit asset/liability	182,000	156,000
Past service cost	<u>-</u>	<u>-</u>
	<u>1,352,000</u>	<u>1,147,000</u>
Actual return on plan assets	<u>(145,000)</u>	<u>1,221,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Opening defined benefit obligation	18,756,000	15,466,000
Current service cost	1,170,000	991,000
Contributions by scheme participants	144,000	141,000
Interest cost	328,000	278,000
Actuarial losses/(gains)	(8,939,000)	2,086,000
Benefits paid	<u>(174,000)</u>	<u>(207,000)</u>
	<u>11,285,000</u>	<u>18,755,000</u>

St Mary's Academy Trust

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

20. PENSION AND SIMILAR OBLIGATIONS - continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Opening fair value of scheme assets	8,286,000	6,498,000
Contributions by employer	659,000	645,000
Contributions by scheme participants	144,000	141,000
Interest income	146,000	122,000
Actuarial gains/(losses)	(291,000)	1,099,000
Benefits paid	(174,000)	(207,000)
Administrative expenses	-	(12,000)
	<u>8,770,000</u>	<u>8,286,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Actuarial (losses)/gains	<u>8,648,000</u>	<u>(987,000)</u>
	<u>8,648,000</u>	<u>(987,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2022	2021
	£	£
Equities	6,139,000	4,011,000
Government bonds	1,754,000	1,143,000
Other bonds	789,000	613,000
Property	-	713,000
Cash and other liquid assets	88,000	83,000
Other	-	1,723,000
	<u>8,770,000</u>	<u>8,286,000</u>

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2022	2021
Discount rate	4.25%	1.70%
Future salary increases	4.05%	4.05%
Future pension increases	3.05%	2.90%
Inflation assumption	3.05%	2.80%

St Mary's Academy Trust

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2022**

20. PENSION AND SIMILAR OBLIGATIONS - continued

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

Retiring today		
Males	22.6	22.5
Females	25.4	25.3
Retiring in 20 years		
Males	24.1	24.0
Females	27.3	27.2

Sensitivity analysis:

	2022	2021
	£	£
Discount rate +0.1%	(265,000)	(417,000)
Discount rate -0.1%	269,000	426,000
Mortality assumption - 1 year increase	452,000	587,000
Mortality assumption - 1 year decrease	(441,000)	(569,000)
CPI rate +0.1%	219,000	426,000
CPI rate -0.1%	(211,000)	(417,000)

21. CAPITAL COMMITMENTS

	2022	2021
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

22. LONG-TERM COMMITMENTS, INCLUDING OPERATING LEASES

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	499,400	522,463
Between one and five years	1,893,884	1,886,500
In more than five years	<u>2,199,010</u>	<u>2,678,794</u>
	<u>4,592,294</u>	<u>5,087,757</u>

The Trust receives funding from the ESFA in relation to the land and buildings PFI lease commitment which amounts to £4,563,678 (2021: £5,043,462) of the above lease commitment. The Trust expects to receive an annual amount from the ESFA in relation to this agreement and in the year to 31 August 2023 the Trust expects the annual income to be £293,535 from the ESFA.

The academy trust occupies premises which are subject to a private finance initiative (PFI) contract. The trust itself is not party to this service concession contract, however the academy trust has entered into a supporting agreement towards the costs of the local authority (to cover costs such as utilities and other ancillary services). The Trust receives funding from the ESFA in relation to the land and buildings PFI lease commitment which amounts to £4,563,678 (2021: £5,043,462) of the above lease commitment. The Trust expects to receive an annual amount from the ESFA in relation to this agreement and in the year to 31 August 2023 the Trust expects the annual income to be £293,535 from the ESFA.

St Mary's Academy Trust

Notes to the Financial Statements - continued for the Year Ended 31 August 2022

23. RELATED PARTY DISCLOSURES

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transaction took place in the financial period.

Expenditure:

Totally Runable Ltd, of which Natalie Jackson is a director and also a governor at Darton Primary school, provided PE and Sport sessions to the Trust totalling £13,499 (2021: £nil).

Leeder Safeguarding Training and Consultancy, of which Nigel Leeder is the owner and also a Trustee of the Trust, provided safeguarding training and other services totalling £2,700 in the year since his appointment on 14 December 2021.

Mrs L Cook, daughter of Mrs S L Cook, a trustee is employed by the academy trust as a teacher. Mrs L Cook is paid within the normal pay scale for her role and receives no special treatment as a result of her connection to a trustee.

Mrs J Race, wife of Father S Race, a trustee is employed by the academy trust as a teacher. Mrs J Race is paid within the normal pay scale for her role and receives no special treatment as a result of her connection to a trustee.