

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY

(A Company Limited by Guarantee)

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DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members

Sally-Anne Jarvis (Chairperson)
Rt Revd Dr S Croft (Bishop of Oxford)
A Davey (Director of Education)
Venerable G Elsmore (Archdeacon of Buckingham)

Trustees / Governors

S Jarvis (Chair)
R Harris (Executive Headteacher and Accounting Officer, resigned and MOU ended 31 August 2016)
N Green (Deputy Head with Head of School responsibilities, appointed 15 March 2016)
S Phillips (Staff Trustee)
K Liddell (Staff Trustee)
C Ronald (Responsible Officer, resigned 8 November 2015)
S Buckeridge
J Simpson (Vice Chair)
S Naik-Jones (Governor of Finance)
A Lawrence (Resigned 18 January 2016)
J Oakley (Resigned 25 September 2016)
T Younger (Resigned 1 September 2016)
N Hoffman (Parent Governor, appointed 6 November 2014)
R Lloyd (Parent Governor, appointed 17 March 2016)
J Fernandes (Appointed 17 May 2016)
D Sheppard (Appointed 1 September 2016)
L Whateley (Appointed 21 July 2016)

Company Secretary

C Hathaway

Senior Management Team

R Harris (Executive Headteacher to 31 August 2016)
N Green (Deputy Head with Head of School responsibilities)

Company Name

Datchet St Mary's Church of England Primary Academy

Principal and registered office

Datchet St Mary's Church of England Primary Academy Trust Limited, The Green, Datchet, Slough, Berkshire
SL3 9EJ

Company registered number

07851937 (England & Wales)

**DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016**

Independent Auditors

MHA MacIntyre Hudson, Abbey Place, 24 - 28 Easton Street, High Wycombe, Buckinghamshire, HP11 1NT

Bankers

Lloyds Bank PLC, P O Box 1000, Andover. BX1 1LT

Solicitors

Royal Borough Windsor and Maidenhead Legal Services SLA

**DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the year from 1 September to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Datchet. It has a pupil capacity of 292 and had a roll of 276 in the school census on 21 January 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Datchet St Mary's Church of England Primary Academy Trust Limited (Academy Trust) is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The trustees of Datchet St Mary's Church of England Primary Academy Trust Limited are also the directors and governors of the charitable company for the purposes of company law. The Charitable Company is known as Datchet St Mary's Church of England Primary Academy (Academy).

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 £1, for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was included within the general insurance premium and cannot be separately determined.

Method of Recruitment and Appointment or Election of Trustees

Governors are appointed by the Members. The Head Teacher is a Governor. The appointment of two Staff Governor positions is based on the recommendation of the Head Teacher. The appointment of two Parent Governors is based on a parent vote. Appointments are for a period of four years and may be renewed.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new governors meet with the Chairman and vice Chairman of Governors to develop an individual induction plan. This induction plan will include a general training course for new governors and specific course relevant to any Committee the new governor joins. New governors are paired with more experienced governors to assist with their induction. All governors are encouraged to undertake ongoing training offered by Local Authority, Diocese and appropriate online training by recognised providers.

Organisational Structure

The Academy's Full Governing Body (FGB) concluded a restructure of the committee structure in 2014 and established two main committees Standards and Resources, with two additional committees Admissions and Personnel meeting on an ad hoc basis on these specific areas. The FGB may also commission a working party on specific items for a fixed period of time. The FGB has delegated limited decision making authority to these committees, the Head Teacher and the Senior Leadership Team (SLT) through a series of policies including the Datchet St. Mary's Financial Regulations Manual.

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

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel is overseen by the Human Resources Committee via Performance Management and performance of the school against its key targets outlined in the SDP and monitored by Standards Committee and FGB: This HR committee reports to the Resources Committee and then to the FGB.

The Executive Head is responsible for the management of HOS and line management systems below, reporting to the HR and governors termly or more frequently if required. The Executive Head's performance is monitored by governors and an external Advisor and targets set October and evaluated throughout the year.

Related parties and other Connected Charities and Organisations.

Datchet St. Mary's Church of England Primary Academy does not have any connected organisations or related party relationships.

OBJECTIVES AND ACTIVITIES

The Academy aims to provide consistent, high quality education to primary school children of Datchet.

Objects and Aims

Our vision is to stand at the heart of the local community as a school of excellence.

We will provide a happy, nurturing and challenging environment based on adventure and Christian values

Objectives, Strategies and Activities

The Academy outlines its objectives, strategies and activities for the year in the School Improvement Plan (SIP) and School Development Plan (SDP) and the FGB holds the Head Teacher and the Senior Leadership Team to account for the progress and review of the actions outlined in the SIP and SDP.

Specific to 2015-2016 ,in additional to the functional strategy, to assess, review and secure the future direction of the school in the growing demands of the Political and Educational arenas to ensure we continue to provide the most effective education to the children of Datchet, enabling continued positive growth and development of the School.

Public Benefit

The Governors of the Academy Trust have complied with their duty to have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their powers and duties. The activities undertaken to further the Academy Trust's purpose for the Public Benefit was for Education.

STRATEGIC REPORT

Achievements and Performance

The Academy has continued to improve its performance during the year to 31st August 2016, this is despite changes in key personnel and other challenges it has faced over the course of the year, including the uncertainty created by the cloud of national controversy the new SATs measures caused, and the change of a tracking system to ensure data was effectively captured and collated from one not well understood to one that was more intuitive for staff.

The national trends in education and recruitment, together with the need to assess the ability to continue to support its educational aspirations as a Stand-Alone Academy (SAT) led to the Full Governing Body (FGB) to review the future leadership and direction of the school to ensure that the Academy fulfilled its commitment to providing high quality education with minimal disruption.

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

Achievements and Performance (continued)

The review focused on ensuring the future direction and positive growth of the school within the wider context of changes in Education and with a view to further improve collaborative working practices. Building on the advice given in 2014-5 from both LA and Diocese, and entering in to the first year of a positive collaborative working model with an Executive Head structure, the Academy pursued Due Diligence activities, exploring all options, in helping to assess and determine the effectiveness of remaining as a SAT, continuing in a soft collaboration or joining a Multi Academy Trust as ways of securing the quality education of the future for Datchet, whilst retaining our unique character and development. The outcome of the Due Diligence exercise resulted in a formal 'Expression of Interest' with the Oxford Diocesan Schools Trust (ODST) in the Summer Term and this being presented to Department of Education (DfE) for further work in the forthcoming year (2016-2017) where a full Consultation process will be undertaken in the Michaelmas Term.

Rob Harris, the Executive Head Teacher for 2015-6 was well respected and demonstrated the experience, passion and energy required, despite some significant challenges, to lead both schools. Some of these challenges were created by the Local Authority reduction of support services and DSM found itself becoming increasingly isolated being a SAT. It was with sadness that we had to say farewell to him at the end of the year due to changes in the partner school necessitating his return there, full time. We approached the Diocese for assistance and under advice negotiated with confidence, and having experience a good relationship and positive growth for staff and pupils in the existing partnership, a second collaborative working partnership with a school already a member of the ODST. We look forward to working with Mrs Delia Sheppard as Executive Head with strategic overview, for at least part of the new academic year whilst Miss Nicola Green has been appointed in the new role of Head of School, an appointment that has been well received by parents and staff alike and further helped to increase the trust in, and stability of, the Academy. The continuance of this collaborative relationship will be dependent upon the Academy's choices, after full Consultation, in deciding in favour of joining the ODST or not.

One of the key objectives for 2014-6 was to improve the OFSTED ruling, despite the many challenges faced. OFSTED arrived in almost the last week of the school year and, as a result, the published report was not available until the new school year (September 2016). We were delighted that OFSTED rated pastoral care and the wellbeing of our children as good. Clearly we were disappointed that they decided to award us requires improvement, but they did recognise there had been positive and forward movement in progress since the previous inspection. The Report states that "*Senior leaders and governors have set clear direction to colleagues. They have put in place good systems, which are beginning to improve teaching and learning. Progress is improving for many pupils as a result*". Everyone at DSM has and will continue to be pulling out all of the stops to ensure continued improvement in our teaching and learning, building on what we already do well, so that our outcomes continue to improve over the next year. One of the most valuable exercises we found in this year was the use of external reviews over and beyond that of regular Advisory visits, which has helped to shape the School strategy for 2016-17, and beyond.

The Governors would like to acknowledge that despite the changes and challenges outlined above, the Academy and Staff continued to embed pupil improvement at all levels (in-particular, test results in Phonics and EYFS) at the heart of the school. We are satisfied with the Academy's progress and reassured by the forward plans to build upon this further. We would like to acknowledge the professionalism and increased rigour applied by the staff to individual student progression and their support of the School Rapid Improvement Programme and School Development Programme which will continue to be implemented from September 2016.

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

Key Financial Performance Indicators

- The Academy is in a good financial position and is currently running a surplus before capital, depreciation and pensions of £83,414
- The Academy was able to attract and recruit pupils from the local area without difficulty and continues to be oversubscribed receiving an additional 55 applications over the number of places available.
- In response to the challenges faced by the rigours of being a single form entry SAT and the vulnerability and isolation this engenders, the Academy has implemented an Expression of Interest to join the ODST and will be undergoing a full Consultation with Stakeholders with a view to joining shortly afterwards if there are no significant objections or queries raised.

The FGB would like to acknowledge the contribution made by the outgoing Executive Head Teacher, Senior Leadership Team and all staff in implementing a robust new strategy. The FGB is pleased to see that the new strategy appears to be working well and driving an improvement in results.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

The Academy is in a good financial position. Cash balances at the period end of £239,439 exceeded current liabilities of £84,828 and the only long term liability is the deficit on the Local Government Pension Scheme (which currently stands at £977,000 at 31 August 2016). The school lived within its means during the period carrying forward £143,335 of the General Annual Grant received from central government and is currently running a surplus before capital, depreciation and pensions of £83,414.

The Governors have approved a balanced budget for the year to 31 August 2016 and expect to be able to fulfil its educational objectives within the funds available.

Reserves Policy

At 31 August 2016 the total funds comprised:

Unrestricted		16,206
Restricted:	Fixed asset funds	1,652,805
	Pension reserve	(977,000)
	Other	181,744
		<u>873,755</u>

Restricted funds are held to fund future spending in pursuit of the principal activity of the Academy, providing a primary school education. Some of these funds are restricted to future capital expenditure. The deficit on the pension reserve relates to the non-teaching staff pension scheme where, unlike the teachers' scheme, separate assets are held to fund future liabilities as discussed in note 22. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits

Restricted Fixed Asset Funds are held to cover future fixed asset depreciation. The restricted funds will be spent in accordance with the terms of the particular funds.

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

Reserves Policy (continued)

The Academy's net current assets are £190,550, these funds are in reserve to enable the school and Governors to respond to:

- changes in tax policy such as NI contributions
- increases in teacher pension contributions
- changes in funding streams such as grants
- one off costs relating to the academy such as buildings repair
- strategic future of the Academy such as partnerships

Unrestricted funds are also for use on the general purposes of the Academy, at the discretion of the Governors.

Investment Policy

All cash is invested with Lloyds Bank.

The academy has, during the financial year, had significant cash balances which have been invested to increase income. The funds are placed solely in Lloyds Bank in fixed term deposit accounts. A stringent cash management system is in place to ensure the academy can meet all its commitments at all times. The Governing Body accepts that the returns from these investments are relatively small but they are in secure, trustworthy and credible institutions and the returns are in line with current market yields.

Principal Risks and Uncertainties

The Academy is dependent on the long term availability of funding from central government; in particular, its ability to meet the substantial Local Government Pension Scheme liabilities is dependent on the continued availability of such funding. Day to day liquidity risk is managed through a stable budget which spreads expenditure in line with the funding received. The school is exposed to emergency capital expenditure requirements, for example, the breakdown of heating or electrical equipment, and is dependent on the availability of central government funding to meet such costs.

The Academy practices through its board, namely the Full Governing Body (FGB) and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the Full Governing Body with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Governing body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the governing body collectively, whilst more minor risks are dealt with by senior executive officers.

The principal risks facing the Academy are:

- Government austerity measures restrict school funding with the result that the school has to absorb all inflationary cost increases – mitigated by careful cost management and adoption of government approved pay scales.
- Old school building deteriorate – mitigated by buildings maintenance experts retained to advice on prioritisation of capital spend.
- High quality of teaching deteriorates – mitigated by Strategic Development Plan centre around teaching.
- Royal Borough of Windsor and Maidenhead school expansion or contraction policy may disadvantage the Academy – mitigated by maintaining a close relationship with the borough.
- The principal financial risks are a reduction in pupil numbers, reduction in central government funding, unbudgeted increase in teaching or support staff costs, or unbudgeted major capital repairs.
- Lack of availability of skilled personnel – Teaching, Governors or support staff.
- The risks presented here are mitigated by careful financial planning, collaborative working and sharing of resources with a local school and the support of the ODST.
- Risks associated with personnel and safeguarding – mitigated by appropriate policies, monitoring and succession planning.

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

Principal Risks and Uncertainties (continued)

The Academy Trust practices through its Board, namely the Full Governing Body (FGB) and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main FGB with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The Full Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the Full Governing Body collectively, whilst more minor risks are dealt with at a sub-committee or Senior Leadership Team level.

During the year the Resources Committee developed a risk register which was reviewed and discussed by the Full Governing Body.

PLANS FOR FUTURE PERIODS

The Full Governing Body has an approved a School Improvement Plan and School Development Plan which outlines the steps required to continue to improve Quality of teaching and Learning and curriculum development, as well as pupil progress at all levels closing the gap and encouraging independent learning across the whole school.

On a strategic level, as outlined earlier in this report the Academy has been reviewing its position within the current educational and economic environments and whether it can continue as a SAT. With increasing demands placed upon its resources and less favourable negotiation power to purchase services and materials at reasonable prices; with evidence that the reduction in LA support had already resulted in a negative impact. The Academy is becoming increasingly isolated as a SAT and thus more challenged to provide the continued quality of education it aims to achieve. The difficulty in recruitment has already made its presence felt at the most senior levels, resulting in our entering a successful soft collaborative model with a shared Executive Head. Whilst we have been fortunate to have filled any vacancies and run at a full complement of staff, there have been increased NQT appointments and observing a smaller pool of experienced teachers to draw in from, in a rapidly decreasing geographical area due to economic considerations for candidates, and in order to ensure we were at capacity using Agencies and importing a teacher for Canada wishing to work in the UK: The locality of the Academy is sited in one of the most expensive parts of the country and makes attracting new personnel more difficult, especially as there are key worker housing shortages in the region and locally and greater competition for the availability. All these factors make it more likely that the Academy will increasingly continue to struggle to maintain the high quality it desires and meet the costs of providing the service of the pupils of Datchet in the future. The GB therefore after Due Diligence formally expressed interest to join the ODST and thus secure a future amongst like minded schools where shared and sustainable resourcing and support is more likely to succeed. ODST was chosen as it allows DSM to continue developing and greater potential to facilitate larger projects currently outside our scope. The Consultation and processes required are scheduled for September – December 2016.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The school does not hold cash or assets as a custodian for any third party.

**DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

AUDITOR

In so far as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7 December 2016 and signed on the board's behalf by:

.....
Sally-Anne Jarvis
Chair of Trustees

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

The Resources and the Audit Committee of the Full Governing Body promote strong internal control within the Academy.

SCOPE OF RESPONSIBILITY

As trustees we acknowledge we have overall responsibility for ensuring that Datchet St Mary's Church of England Primary 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 Full Governing Body has delegated the day-to-day responsibility to the Executive Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Datchet St Mary's Church of England Primary Academy Trust Limited and the Secretary of State for Education. The FGB also appointed a Responsible Officer who together with Executive Head Teacher are responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **board of trustees** has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
K Liddell (Staff Trustee)	3	5
C Ronald (Resigned 8 November 2015)	0	2
S Phillips (Staff Trustee)	5	5
S Jarvis (Chair of Governors)	5	5
S Buckeridge	3	5
J Simpson (Vice Chair)	3	5
S Naik-Jones (Finance Governor)	4	5
A Lawrence (Resigned 18 January 2016)	1	2
J Oakley (Resigned 25 September 2016)	4	5
N Hoffman (Appointed Parent Governor)	1	5
T Younger (Resigned 1 September 2016)	1	5
R Harris (Executive Head & Accounting Officer)	5	5
R Fernandes (Appointed 17 May 2016)	0	1
N Green (Appointed 15 March 2016)	3	3
R Lloyd (Appointed 17 March 2016)	2	2

No key changes in composition during the year.

Key challenges have included:

- the securing of Senior Leaders, especially after unexpected circumstances which led to the partnership school having to withdraw the Executive Head at the end of the year and negotiating a new MOU with a different school and focus.
- Recruitment of Governors is becoming increasingly difficult with the pressures and demands placed upon them and their ability to balance work/life with these commitments and feel they are contributing productively. Looking to the future - Undergoing the due diligence exercises whilst maintaining the trust and confidence of stakeholders.

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GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

GOVERNANCE (continued)

A full external review was carried out in the Summer of 2014 and changes implemented during 2015-16. This year has seen the embedding of the new meeting schedules and changes to the way meetings are recorded to more effectively highlight the challenge and support role of the GB.

Request for external advisor review was made, and a self evaluation took place led by the Vice Chair as part of her undertaking the Chairs' Development Programme run by the NGA. Governors also took part in the School Review and have looked at the outcomes of their role within this. Also the as part of the process of Due Diligence for future of Academy.

Changes made include:

- encouraging governors to submit questions prior to a meeting, especially if they are unable to attend
- considering different methods of attendance e.g. Skype /Conference
- changes to recruitment, and presentation of applications including renewals
- Improving Governor Link Visits – changing the system and working more closely with SLT to ensure it happens
- Request for specific training for whole GB on improving effective Challenge & Support and data analysis

Next review will be during 2016-2017 as part of the joining MAT.

Resources Committee is a sub-committee of the main Full Governing Body. Its purpose is to oversee the financial performance of the school, manage risk and ensure buildings are properly maintained. This committee has gathered strategic information together in a coherent fashion to present to the FGB. The committees of the academy, and their function, are reviewed annually.

Trustee	Meetings attended	Out of a possible
S Buckeridge	2	3
K Liddell (Staff Governor)	3	3
S Jarvis	3	3
S Naik-Jones (Chair)	3	3
A Lawrence	0	1
N Hoffman	1	2
A Stewart (Bursar)	3	3
J Fernandes (Appointed 17 May 2016)	0	1

REVIEW OF VALUE FOR MONEY

As accounting officer the Executive Head Teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcome achieved in return for the taxpayer resources received.

The accounting officer considers how the trusts' use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Reviewing the allocation of teaching staff and non-teaching staff, which changes implemented to the roles and functions of the office staff
- Continuous review of resources including a review of third party suppliers and assets leases, driving value for money where possible
- Entering into arrangement with a local school, in order to share resources

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy's 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 Datchet St. Mary's Church of England Primary Academy for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements

CAPACITY TO HANDLE RISK

Resources Committee is sub-committee of the Full Governing Body and has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Full Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Resources Committee.

THE RISK AND CONTROL FRAMEWORK

The Academy 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 Resources Committee;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

Financial risk is managed through review and challenge at the Resources Committee and the Datchet St. Mary's Financial Regulations Manual. In addition, the Accounting Officer has contracted with MacIntyre Hudson to provide comprehensive support in the discharge of his duties. The Accounting Officer reports directly to the Full Governing Body and the Audit Committee on the result of the Responsible Officer work.

The Governors have considered the need for a specific internal audit function and has decided not to appoint an internal auditor but to rely on the work of the Responsible Officer, the Audit Committee and the Resources Committee. . In the absence of a R.O, internal checks have been carried out by the Headteacher to assure payroll information has been processed appropriately. A rigorous check of the bank reconciliations has been completed throughout the year on a monthly basis. The Governing Body are assured by the external audit checks that systems and processes are tested and safe.

In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

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**GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

REVIEW OF EFFECTIVENESS

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

- the Responsible Officers work as outlined above;
- attendance of the previous Accounting Officer at Resources & FGB Meetings
- review of the final reports on internal control from the external auditors;

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

Approved by order of the members of the Full Governing Body on 7 December.2016 and signed on its behalf by:

.....
Sally-Anne Jarvis
Chair of Trustees

.....
Nicola Green
Accounting Officer

**DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016**

As Accounting Officer of Datchet St. Mary's Church of England Primary Academy I have considered my responsibility to notify the Academy Trust Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy Trust Governing Body are able to identify and material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2015.

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

.....
Nicola Green
Accounting Officer

7 December 2016

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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

Company law requires the 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 2015 to 2016;
- 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 the EFA/DfE have been applied for the purposes intended.

Approved by order of the members of the Governing Body on 7 December 2016 and signed on its behalf by:

.....
Sally-Anne Jarvis
Chair of Trustees

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF
DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY**

We have audited the financial statements of Datchet St Mary's Church of England Primary Academy for the year ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF
DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY**

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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
- 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.

BIANCA SILVA BA ACA DChA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

Date: 15 December 2016

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 10 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Datchet St Mary's Church of England Primary Academy during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Datchet St Mary's Church of England Primary Academy's funding agreement with the Secretary of State for Education dated 1 January 2012, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY
(continued)

The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Directors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate;
- making appropriate enquiries of the Accounting Officer.

CONCLUSION

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

Reporting Accountant

MHA MacIntyre Hudson

Chartered Accountants

Abbey Place
24-28 Easton Street
High Wycombe
Buckinghamshire
HP11 1NT

15 December 2016

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	-	7,020	7,008	14,028	68,484
Charitable activities	5	-	1,246,601	-	1,246,601	1,224,065
Other trading activities	3	13,017	1,397	-	14,414	23,381
Investments	4	1,044	-	-	1,044	241
TOTAL INCOME		14,061	1,255,018	7,008	1,276,087	1,316,171
EXPENDITURE ON:						
Charitable activities		11,239	1,222,426	75,031	1,308,696	1,337,531
TOTAL EXPENDITURE	6	11,239	1,222,426	75,031	1,308,696	1,337,531
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	2,822	32,592	(68,023)	(32,609)	(21,360)
		-	(32,483)	32,483	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		2,822	109	(35,540)	(32,609)	(21,360)
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(429,000)	-	(429,000)	16,000
NET MOVEMENT IN FUNDS		2,822	(428,891)	(35,540)	(461,609)	(5,360)
RECONCILIATION OF FUNDS:						
Total funds brought forward		13,384	(366,365)	1,688,345	1,335,364	1,340,724
TOTAL FUNDS CARRIED FORWARD		16,206	(795,256)	1,652,805	873,755	1,335,364

The notes on pages 23 to 44 form part of these financial statements.

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07851937

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		1,660,205		1,688,345
CURRENT ASSETS					
Debtors	15	35,939		34,713	
Cash at bank and in hand		239,439		211,694	
			<u>275,378</u>	<u>246,407</u>	
CREDITORS: amounts falling due within one year	16	(84,828)		(99,388)	
NET CURRENT ASSETS			<u>190,550</u>		<u>147,019</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,850,755</u>		<u>1,835,364</u>
Defined benefit pension scheme liability	22		(977,000)		(500,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>873,755</u>		<u>1,335,364</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
General funds	17	181,744		133,635	
Restricted fixed asset funds	17	1,652,805		1,688,345	
Restricted income funds excluding pension liability		1,834,549		1,821,980	
Pension reserve		(977,000)		(500,000)	
Total restricted income funds			<u>857,549</u>		<u>1,321,980</u>
Unrestricted income funds	17		16,206		13,384
TOTAL FUNDS			<u>873,755</u>		<u>1,335,364</u>

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

.....
Nicola Green
Executive Head Teacher

.....
Sally-Anne Jarvis
Chair of Trustees

The notes on pages 23 to 44 form part of these financial statements.

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>66,584</u>	<u>65,150</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,044	241
Proceeds from the sale of tangible fixed assets		259	-
Purchase of tangible fixed assets		(47,150)	(93,256)
Capital grants from DfE/EFA		7,008	55,567
Net cash used in investing activities		<u>(38,839)</u>	<u>(37,448)</u>
Change in cash and cash equivalents in the year		27,745	27,702
Cash and cash equivalents brought forward		<u>211,694</u>	<u>183,992</u>
Cash and cash equivalents carried forward	20	<u><u>239,439</u></u>	<u><u>211,694</u></u>

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Datchet St Mary's Church of England Primary Academy constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

1.2 Fund accounting

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

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

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

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

Grants are included in the Statement of Financial Activities Incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities Incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

Donations are recognised on a receivable basis where there are no performance related conditions and there is probability of receipt and the amount can be reliably measured.

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

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

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

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

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.

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation (continued)

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

Long leasehold property	-	2% per annum
Leasehold improvements	-	10% per annum
Fixtures and equipment	-	20% per annum
Computer equipment	-	20 - 33% per annum

The Academy Trust Company occupies land which is held in trust by Trustees, who are the Incumbent and the Churchwardens of the Benefice of Colnbrook and Datchet. These Trustees are the providers of the land to the Academy Trust Company on the same basis as when the academy was a maintained school. The Academy Trust Company occupies the land under a licence. This continuing permission of these Trustees is pursuant to, and subject to, the Trustees' charitable objects. The licence delegates aspects of the management of the land to the Academy Trust Company for the time being, but does not vest any rights over the land in the Academy Trust Company. These Trustees have given an undertaking to the Secretary of State that they will not give the Academy Trust Company less than two years notice to terminate the occupation of the land.

Having considered the factual matrix under which the Academy Trust Company is occupying the land, as well as the concept of accounting substance over legal form, the Academy Trust Trustees have concluded that the land occupied by the Academy Trust Company will not be recognised on the balance sheet of the Academy Trust Company. However, the Academy Trust Trustees consider that there is significant value in the ongoing and continued occupation of the buildings and as a result have included the buildings at fair value on the assumption of continuing existing use on conversion.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities Incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.8 Interest receivable

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

1.9 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.

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.11 Cash at bank and in hand

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

1.12 Liabilities and provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The Academy Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.14 Pensions (continued)

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

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

1.15 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A Company Limited by Guarantee)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	-	7,020	-	7,020	12,917
Capital Grants	-	-	7,008	7,008	55,567
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	-	7,020	7,008	14,028	68,484
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from donations and capital grants, £ *NIL* was to unrestricted funds, £12,917 was to restricted funds and £55,567 was to restricted fixed asset funds.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Catering income	279	-	279	2,666
Other income	428	1,397	1,825	9,242
School clubs	12,310	-	12,310	11,473
	<hr/>	<hr/>	<hr/>	<hr/>
	13,017	1,397	14,414	23,381
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total income from other trading activities, £15,150 was to unrestricted funds, £8,231 was to restricted funds and £ *NIL* was to restricted fixed asset funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest receivable	1,044	-	1,044	241
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015, of the total investment income, £ 241 was to unrestricted funds, £ *NIL* was to restricted funds and £ *NIL* was to restricted fixed asset funds.

DATCHET ST MARY'S CHURCH OF ENGLAND PRIMARY ACADEMY
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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	1,008,538	1,008,538	891,392
Pupil premium	-	39,001	39,001	41,590
Other EFA income	-	-	-	146,846
	-	1,047,539	1,047,539	1,079,828
Other government grants				
Early Years Schools Funding Formula	-	104,260	104,260	104,914
SEN income	-	11,212	11,212	14,346
Other LA income	-	70,477	70,477	-
	-	185,949	185,949	119,260
Other funding				
Trip income	-	13,113	13,113	24,977
	-	13,113	13,113	24,977
	-	1,246,601	1,246,601	1,224,065

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds, £1,224,065 was to restricted funds and £ NIL was to restricted fixed asset funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Academy's educational operations:					
Direct costs	723,027	-	111,285	834,312	876,750
Support costs	211,935	135,479	126,970	474,384	460,781
	934,962	135,479	238,255	1,308,696	1,337,531

In 2016, of the total expenditure, £11,239 (2015 - £11,810) was to unrestricted funds, £1,222,426 (2015 - £1,243,165) was to restricted funds and £78,264 (2015 - £75,556) was to restricted fixed asset funds.

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7. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total	Individual items above £5,000	
	£	Amount	Reason
	£	£	
Gifts made by the trust	365	-	
Unrecoverable debts	672	-	

8. CHARITABLE ACTIVITIES

	Total funds 2016 £	Total funds 2015 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	723,027	749,584
Technology costs	14,507	23,818
Educational supplies	43,385	30,255
Staff development	10,093	10,524
Educational consultancy	23,014	31,988
School trips expenditure	19,386	29,166
Other direct costs	900	1,415
	<u>834,312</u>	<u>876,750</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	210,435	188,699
Depreciation	75,227	75,556
Pension finance cost	19,000	18,000
Technology costs	5,400	9,645
Recruitment and support	1,406	1,060
Maintenance of premises and equipment	17,066	18,484
Cleaning	17,931	15,155
Rates	6,292	4,068
Energy	9,076	9,791
Non staff related insurance	15,275	14,843
Security and transport	10,607	13,710
Catering supplies	43,456	45,868
Bank charges	35	147
Legal and professional	20,566	10,451
Other support costs	12,749	20,371
Profit on disposal of tangible fixed asset	(197)	-
Governance costs	10,060	14,933
	<u>474,384</u>	<u>460,781</u>
	<u><u>1,308,696</u></u>	<u><u>1,337,531</u></u>

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9. NET RESOURCES EXPENDED / (INCOMING RESOURCES)

This is stated after charging:

	2016	<i>2015</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	75,228	<i>75,556</i>
Auditors' remuneration - audit	6,200	<i>8,430</i>
Auditors' remuneration - other services	2,358	<i>5,003</i>
Operating lease rentals	3,360	<i>3,540</i>
Profit on disposal of fixed assets	197	<i>-</i>
	=====	=====

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

Staff costs were as follows:

	2016	<i>2015</i>
	£	£
Wages and salaries	688,053	<i>749,311</i>
Social security costs	42,132	<i>39,632</i>
Operating costs of defined benefit pension schemes	126,753	<i>130,762</i>
	856,938	<i>919,705</i>
Supply teacher costs	76,524	<i>18,578</i>
Staff governance costs	1,500	<i>1,500</i>
	934,962	<i>939,783</i>

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

	2016	<i>2015</i>
	No.	No.
Teachers and teaching assistants	10	<i>11</i>
Administration and support	33	<i>35</i>
Management	5	<i>5</i>
	48	<i>51</i>

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

	2016	<i>2015</i>
	No.	No.
In the band £60,001 - £70,000	0	<i>1</i>

No employees participated in the Teachers' Pension Scheme whose employee benefits exceeded £60,000. During the year ended 31 August 2016 pension contributions to £ NIL (2015: £8,614).

The key management personnel of the academy trust comprises the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £89,448 (2015: £118,047).

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NOTES TO THE FINANCIAL STATEMENTS
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11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Head and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of head 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:

		2016	<i>2015</i>
		£	£
Sue Phillips	Remuneration	40,000-45,000	<i>40,000-45,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
Kate Liddell	Remuneration	10,000-15,000	<i>10,000-15,000</i>
	Pension contributions paid	0-5,000	<i>0-5,000</i>
Nicola Green (Head, appointed 15 March 2016)	Remuneration	45,000-50,000	<i>0-5,000</i>
	Pension contributions paid	5,000-10,000	<i>0-5,000</i>
Rob Harris (appointed 01 September 2015, resigned 31 August 2016)	Remuneration	35,000-40,000	<i>0-5,000</i>
	Pension contributions paid	0-5,000	<i>0-5,000</i>

Remuneration disclosures for staff Trustees who resigned before 1 September 2015 have not been disclosed in these financial statements.

During the year ended 31 August 2016, no expenses (2015: £647) were reimbursed or paid directly to trustees (2015- 3 trustees).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was included within the general insurance premium and cannot be separately determined (2015 - included within the general insurance premium and cannot be separately determined).

13. PENSION FINANCE COSTS

	2016	<i>2015</i>
	£	£
Interest on pension scheme liabilities	(19,000)	<i>(18,000)</i>

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FOR THE YEAR ENDED 31 AUGUST 2016**

14. TANGIBLE FIXED ASSETS

	Long leasehold property £	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	1,500,000	308,002	13,656	85,193	1,906,851
Additions	-	25,860	4,529	16,761	47,150
Disposals	-	-	-	(42,093)	(42,093)
At 31 August 2016	<u>1,500,000</u>	<u>333,862</u>	<u>18,185</u>	<u>59,861</u>	<u>1,911,908</u>
Depreciation					
At 1 September 2015	97,478	51,430	5,836	63,762	218,506
Charge for the year	24,858	32,646	3,260	14,464	75,228
On disposals	-	-	-	(42,031)	(42,031)
At 31 August 2016	<u>122,336</u>	<u>84,076</u>	<u>9,096</u>	<u>36,195</u>	<u>251,703</u>
Net book value					
At 31 August 2016	<u>1,377,664</u>	<u>249,786</u>	<u>9,089</u>	<u>23,666</u>	<u>1,660,205</u>
At 31 August 2015	<u>1,402,522</u>	<u>256,572</u>	<u>7,820</u>	<u>21,431</u>	<u>1,688,345</u>

Included in long leasehold property is leasehold land at valuation of £170,750 (2015 - £170,750) which is not depreciated.

15. DEBTORS

	2016 £	2015 £
Trade debtors	2,779	940
Other debtors	-	192
Prepayments and accrued income	17,770	19,590
VAT recoverable	15,390	13,991
	<u>35,939</u>	<u>34,713</u>

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NOTES TO THE FINANCIAL STATEMENTS
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16. CREDITORS: Amounts falling due within one year

	2016	<i>2015</i>
	£	£
Trade creditors	27,976	<i>17,113</i>
Other creditors	12,311	<i>12,556</i>
Accruals and deferred income	44,541	<i>69,719</i>
	<hr/> 84,828 <hr/>	<hr/> <i>99,388</i> <hr/>
	2016	<i>2015</i>
	£	£
Deferred income		
Deferred income at 1 September 2015	27,404	<i>17,743</i>
Resources deferred during the year	27,914	<i>27,404</i>
Amounts released from previous years	(27,404)	<i>(17,743)</i>
	<hr/> 27,914 <hr/>	<hr/> <i>27,404</i> <hr/>

The deferred income relates to universal infant free school meals grants received in advance for the autumn term 2016.

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General unrestricted funds	13,384	14,061	(11,239)	-	-	16,206
Restricted funds						
General Annual Grant (GAG)	95,226	1,008,538	(927,946)	(32,483)	-	143,335
Pupil premium	-	39,001	(39,001)	-	-	-
SEN Income	-	11,212	(11,212)	-	-	-
Transfer on conversion	38,409	-	-	-	-	38,409
Other restricted funds	-	196,267	(196,267)	-	-	-
Pension reserve	(500,000)	-	(48,000)	-	(429,000)	(977,000)
	<u>(366,365)</u>	<u>1,255,018</u>	<u>(1,222,426)</u>	<u>(32,483)</u>	<u>(429,000)</u>	<u>(795,256)</u>
Restricted fixed asset funds						
DFE capital grant	-	7,008	-	(7,008)	-	-
Fixed asset fund	1,688,345	-	(75,031)	39,491	-	1,652,805
	<u>1,688,345</u>	<u>7,008</u>	<u>(75,031)</u>	<u>32,483</u>	<u>-</u>	<u>1,652,805</u>
Total restricted funds	<u>1,321,980</u>	<u>1,262,026</u>	<u>(1,297,457)</u>	<u>-</u>	<u>(429,000)</u>	<u>857,549</u>
Total of funds	<u><u>1,335,364</u></u>	<u><u>1,276,087</u></u>	<u><u>(1,308,696)</u></u>	<u><u>-</u></u>	<u><u>(429,000)</u></u>	<u><u>873,755</u></u>

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

All general funds are held for the purpose of education in line with the Academy's objectives.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the Academy via the Education Funding Authority by the Department for Education. The GAG fund has been set up because the GAG must be used for the normal running costs of the Academy.

The pension reserve fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The restricted fixed asset fund represents the net book value of capitalised fixed assets.

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

The transfer between the restricted General Annual Grant (GAG) fund and restricted fixed asset funds represents capital additions.

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	1,660,205	1,660,205	1,688,345
Current assets	16,206	259,172	-	275,378	246,407
Creditors due within one year	-	(77,428)	(7,400)	(84,828)	(99,388)
Pension scheme liability	-	(977,000)	-	(977,000)	(500,000)
	<u>16,206</u>	<u>(795,256)</u>	<u>1,652,805</u>	<u>873,755</u>	<u>1,335,364</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(32,609)	(21,360)
Adjustment for:		
Depreciation charges	75,228	75,556
Return on investments and servicing of finance	(1,044)	(241)
Profit on the sale of fixed assets	(197)	-
Increase in debtors	(1,226)	(17,619)
(Decrease)/increase in creditors	(14,560)	35,381
Capital grants from DfE and other capital income	(7,008)	(55,567)
Pension adjustments	48,000	49,000
Net cash provided by operating activities	<u>66,584</u>	<u>65,150</u>

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20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	<i>2015</i>
	£	£
Cash in hand	239,439	<i>211,694</i>
Total	239,439	<i>211,694</i>

21. CAPITAL COMMITMENTS

At 31 August 2016 the Academy had capital commitments as follows:

	2016	<i>2015</i>
	£	£
Contracted for but not provided in these financial statements	29,290	<i>-</i>

22. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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22. PENSION COMMITMENTS (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £74,000 (2015 - £53,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £63,000 (2015 - £58,000), of which employer's contributions totalled £47,000 (2015 - £43,000) and employees' contributions totalled £16,000 (2015 - £15,000). The agreed contribution rates for future years are 16.6% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2016	<i>2015</i>
Discount rate for scheme liabilities	2.20 %	<i>4.00 %</i>
Rate of increase in salaries	4.10 %	<i>4.50 %</i>
Rate of increase for pensions in payment / inflation	2.30 %	<i>2.70 %</i>
Inflation assumption (CPI)	2.30 %	<i>2.70 %</i>
RPI increase	3.20 %	<i>3.60 %</i>

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22. PENSION COMMITMENTS (continued)

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

	2016	<i>2015</i>
Retiring today		
Males	22.9	<i>22.8</i>
Females	26.2	<i>26.1</i>
Retiring in 20 years		
Males	25.2	<i>25.1</i>
Females	28.5	<i>28.4</i>

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	238,000	<i>174,000</i>
Bonds	67,000	<i>49,000</i>
Property	63,000	<i>52,000</i>
Cash	21,000	<i>19,000</i>
Gilts	8,000	<i>5,000</i>
Alternative assets and other	94,000	<i>87,000</i>
Total market value of assets	491,000	<i>386,000</i>

The actual return on scheme assets was £51,000 (2015 - £8,000).

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	2016 £	<i>2015 £</i>
Current service cost (net of employee contributions)	(76,000)	<i>(74,000)</i>
Net interest cost	(19,000)	<i>(18,000)</i>
Total	(95,000)	<i>(92,000)</i>

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22. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	886,000	789,000
Current service cost	76,000	74,000
Interest cost	36,000	32,000
Contributions by employees	16,000	15,000
Actuarial losses/(gains)	463,000	(22,000)
Benefits paid	(9,000)	(2,000)
	<u>1,468,000</u>	<u>886,000</u>
Closing defined benefit obligation	<u>1,468,000</u>	<u>886,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	386,000	322,000
Interest income	17,000	14,000
Actuarial gains and (losses)	34,000	(6,000)
Contributions by employer	47,000	43,000
Contributions by employees	16,000	15,000
Benefits paid	(9,000)	(2,000)
	<u>491,000</u>	<u>386,000</u>
Closing fair value of scheme assets	<u>491,000</u>	<u>386,000</u>

The amounts recognised in the balance sheet was as follows:

	2016 £	2015 £
Present value of defined benefit obligation	(1,468,000)	(886,000)
Fair value of scheme assets	491,000	386,000
	<u>(977,000)</u>	<u>(500,000)</u>
Defined benefit pension scheme liability	<u>(977,000)</u>	<u>(500,000)</u>

23. OPERATING LEASE COMMITMENTS

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

	2016 £	2015 £
Amounts payable:		
Between 1 and 5 years	<u>4,480</u>	<u>7,840</u>

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24. RELATED PARTY TRANSACTIONS

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

25. POST BALANCE SHEET EVENTS

Early in 2017 the Academy Trust will be joining the Multi Academy Trust Oxford Diocesan Schools Trust

26. MEMBERS' LIABILITY

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

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FOR THE YEAR ENDED 31 AUGUST 2016

27. FIRST TIME ADOPTION OF FRS 102

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

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

RECONCILIATION OF TOTAL FUNDS	<i>1 September 2014</i>	<i>31 August 2015</i>
	£	£
Total funds under previous UK GAAP	1,340,724	1,335,364
Total funds reported under FRS 102	<u>1,340,724</u>	<u>1,335,364</u>

Reconciliation of net income	Notes	<i>31 August 2015</i>
		£
Net income previously reported under UK GAAP		14,360
Change in recognition of LGPS interest cost	A	7,000
Net income reported under FRS 102		<u>21,360</u>

Explanation of changes to previously reported funds and net income/expenditure:

- A Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the credit to expense by £7,000 and decrease the debit in other recognised gains and losses in the SoFA by an equivalent amount.