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# **The St Marylebone Church of England Bridge School**

## **Annual Report and Financial Statements**

31 August 2018

Company Limited by Guarantee  
Registration Number  
08270125 (England and Wales)

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**Reference and administrative information** Year to 31 August 2018

<b>Members</b>	Reverend Stephen Evans (as Rector) Mrs B Elise Omerod (as Churchwarden) Mrs Jo Sumpter (as Churchwarden) Mr Emy Onah (as Churchwarden) Mrs Eliza Low (as Chairman of The St Marylebone Church of England School) London Diocesan Board for Schools The St Marylebone Church of England School
<b>Governors</b>	Dr Margaret Mountford (Chairman) Mrs Clare Alexander Mrs Harriet Capon Ms Elizabeth Carey Mr Islam Chowdhury Reverend Stephen Evans Mr Steven Larcombe Miss Kate Miller (Head of School) Ms Kathryn Pugh (Executive Headteacher)
<b>Company Secretary</b>	Ms Catherine Jackson
<b>Senior Leadership Team</b>	
Executive Headteacher	Ms Kathryn Pugh
Head of School	Miss Kate Miller
Director of Finance and Administration	Mr John McDonald
<b>Registered address</b>	17-23 Third Avenue London W10 4RS
<b>Company registration number</b>	08270125 (England and Wales)
<b>Auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC Bank plc 90 Baker Street London W1U 6AX

## **Governors' report (including the strategic report) Year to 31 August 2018**

The Governors of The St Marylebone Church of England Bridge School ('the Academy Trust') present their annual report together with the financial statements of the Academy Trust for the year ended 31 August 2018. The annual report serves the purposes of both a governors' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 30 to 34 of the attached financial statements and comply with the Academy Trust's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Academy Trust's memorandum and articles of association are the primary governing documents of the Academy Trust. The Governors act as the trustees for the charitable activities of The St Marylebone Church of England Bridge School and are also the directors of the Academy Trust for the purposes of company law. The Academy Trust is known as The St Marylebone Church of England Bridge School.

#### **Members' liability**

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

#### **Governors' indemnities**

Subject to the provisions of the Companies Act 2006, every Governor or other officer or auditor of the Academy Trust is indemnified out of the assets of the Academy Trust against any liability incurred by him/her in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which relief is granted to him/her by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

#### **Principal activities**

The Academy Trust's principal activity during the year was the operation of a Special Free School for the secondary education of pupils with statements or Education, Health and Care Plans.

## Governors' report (including the strategic report) Year to 31 August 2018

### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

#### Governors

The Governors are directors of the Academy Trust for the purposes of the Companies Act 2006. The following Governors served during the period:

Governor	Appointed (Resigned)	Appointing body
Dr Margaret Mountford (Chairman)		Co-opted Governor
Mr Ade Adigun	(3 Jul 18)	The St Marylebone C of E School
Mrs Clare Alexander		The St Marylebone C of E School
Mrs Julia Burrows	(10 Oct 18)	Co-opted Governor
Mrs Harriet Capon	15 May 18	The St Marylebone C of E School
Ms Elizabeth Carey		Co-opted Governor
Mr Islam Chowdhury		Parents
Reverend Stephen Evans		The St Marylebone C of E School
Miss Joanne Ilbury	30 Jan 18 (3 Jul 18)	Parents
Mr Steven Larcombe		The St Marylebone C of E School
Miss Kate Miller (Head of School)		Ex-officio
Ms Kathryn Pugh (Exec Head)		Ex-officio
Mr Dominic Sunderland	(15 May 18)	Ex-officio
Mr Richard Taylor	(31 Oct 18)	Staff

#### Method of recruitment and appointment or election of Governors

The St Marylebone Church of England School may appoint up to six Foundation Governors. These Governors shall be, throughout the term of their appointment, Foundation Governors on the Board of Governors for The St Marylebone Church of England School and at least one of such Governors shall be a nominee of the London Diocesan Board for Schools.

The St Marylebone Church of England School may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Head of School) who are employees of the Academy Trust does not exceed one third of the total number of Governors.

**STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

**Method of recruitment and appointment or election of Governors (continued)**

The Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected. The Board of Governors shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot. The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he/she prefers, by having his/her ballot paper returned to the Academy Trust by a registered pupil at the Academy. Where a vacancy for a Parent Governor is required to be filled by election, the Board of Governors shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. The number of Parent Governors required shall be made up by Parent Governors appointed by the Board of Governors if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Governor the Board of Governors shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

The Governors appointed from the Foundation Governors of The St Marylebone Church of England School may, with the consent of The St Marylebone Church of England School, appoint up to two Co-opted Governors for such term (not exceeding four years) and otherwise upon such conditions as they shall think fit. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Executive Headteacher and Head of School).

**Policies and procedures adopted for the induction and training of Governors**

The Clerk to the Governors meets with all new Governors to discuss their roles and responsibilities and a meeting is arranged with the Chairman and Head of School. The following documents are provided and discussed:

***Academy documents***

- ◆ Schedule of Governors' Meetings
- ◆ List of Governors
- ◆ Governors' contact details
- ◆ List of membership of Governors' Committees
- ◆ Governors' Expense Policy

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Policies and procedures adopted for the induction and training of Governors**  
(continued)

***Academy documents*** (continued)

- ◆ Ofsted documentation
- ◆ Academy Prospectus
- ◆ Minutes of recent meetings
- ◆ Academy Admissions Policy
- ◆ Register of Business Interests form
- ◆ Disqualification Declaration form

***National Governors' Association documents***

- ◆ Welcome to Governance

***Westminster Council documents***

- ◆ Westminster Governors' Training Schedule
- ◆ List of useful acronyms and abbreviations

***LDBS documents***

- ◆ LDBS Training Schedule

***DfE documents***

- ◆ A Guide to the Law for School Governors

All Governors are encouraged to participate in training. Recent courses attended include:

- ◆ Mental Health
- ◆ First Aid Course
- ◆ Health and Safety
- ◆ Fire Marshalling and evacuation
- ◆ Safer Recruitment Training
- ◆ Safeguarding Children in Education (Level 2)

**Organisational structure**

The business of the Academy Trust is managed by the Board of Governors who may exercise all the powers of the Academy Trust. The Board delegates certain powers, as set out within respective Terms of Reference, to the following two dedicated committees:

- ◆ Finance and Premises Committee.
- ◆ Audit Committee.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Organisational structure** (continued)

The Executive Group within the Academy Trust comprises the Executive Headteacher, Head of School, and the Director of Finance and Administration. These leaders control the Academy Trust at an executive level, implementing the policies laid down by the Board of Governors and reporting back to them.

The Board of Governors is responsible for establishing the ethos and character of the Academy Trust, setting general policy, adopting an annual development plan and budget, monitoring the Academy by the use of budgets, management accounts and performance indicators, and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

### **Arrangements for setting pay and remuneration of key management personnel**

The key management personnel of the Academy Trust during the year were the Governors and the Senior Leadership Team as listed on page 1. Governors receive no remuneration unless they are also employees of the Academy Trust, or of The St Marylebone Church of England School, in which case their remuneration relates solely to their duties as employee whilst working on the business of the Academy Trust. The remuneration of these Governors and members of the Senior Management Team are determined by the Academy Trust's Pay Committee. In making such determinations, there is consideration of the Pay Policy, available benchmark and market data, and recommendations made under the School Teachers Pay & Conditions Document (STPCD) and from the National Joint Council for Local Government Services (NJC).

### **Trade union facility time**

During the year there were no employees acting as relevant union officials.

### **Risk management**

The Board of Governors has assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, facilities, finances and other operational areas. Systems are in place to control these risks and to mitigate any potential impact. The Audit Committee assists in respect of financial risks, and a detailed risk register has been developed and internal controls implemented. Safeguarding of pupils and health and safety are taken particularly seriously with the Board of Governors ensuring that there is an extensive network of support and pastoral care, and a vigorous vetting procedure for all staff, contractors and visitors.



## **STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

### **Connected organisations, including related party relationships**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, there is a possibility that transactions will take place with organisations in which a member of the Board of Governors may have an interest. This is generally avoided but any transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

Given that the Academy operates as a Special School, there are no faith based admissions criteria. However, the London Diocesan Board for Schools (LDBS) has a close association with the Academy and is a Member of it. LDBS provides a significant level of support for which the Governors are extremely grateful.

The Academy is also affiliated to the Woodard Corporation, a faith based organisation comprising Woodard Schools and Academies operated by them, and their independent but affiliated and associated partners.

The financial statements do not include disclosure of transactions between the Academy Trust and The St Marylebone Church of England School. This is because, as the Academy Trust is under the control of The St Marylebone Church of England School, the Academy Trust is treated as a subsidiary and is exempt from the requirement to disclose such transactions under Financial Reporting Standard 102.

Consolidated accounts for the Group are available from the Academy Trust's registered office, as listed on page 1. No other related party transactions took place during the period of account.

## **OBJECTIVES AND ACTIVITIES**

### **Objects and aims**

The Academy Trust's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school specifically organised to make educational provision for pupils with Special Educational Needs (SEN) and with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the Funding Agreement), and in having regard to the advice of the London Diocesan Board for Schools.

The Academy Trust, a co-educational Church of England Special Free School, aims to create an environment in which our students can achieve their maximum potential, gain independence and social awareness so that they can enjoy and participate in the world of work and adult society along with their mainstream peers.

## **OBJECTIVES AND ACTIVITIES** (continued)

### **Objects and aims** (continued)

As a church school we nurture respect for religious, moral and spiritual values. These values are located within scripture in *Colossians 3.12-17*, and underpin much of what we believe in. We seek to nurture *compassion, kindness, patience, forgiveness, thankfulness, wisdom, peace and gratitude* in our school community. We acknowledge our special responsibility in promoting British values and in the education of students, so that they can take a full part in society.

### **Whole School aims for 2017/18**

Pupil progress:

- ◆ Improve pupil progress in mathematics to ensure that more pupils are achieving or surpassing their target.
- ◆ Ensure progress and improvement against our 16 core aims.
- ◆ Develop specific strategies to support pupils' social, emotional and mental health needs.

Curriculum and career paths:

- ◆ Increase the range and level of qualifications on offer in Key Stage 4.
- ◆ Develop project and pupil based learning that enables the pupils to identify further educational and employment opportunities at an earlier stage.
- ◆ Identify pathways for post 16 leavers and provide careers advice, guidance and work experience for KS4 pupils.
- ◆ Build links with Post 16 providers across the Tri-borough to develop pathways for our leavers that build on the qualifications and skills they have acquired with us.

Leadership and teaching:

- ◆ Improve the quality of SLCN specific teaching within the T&L programme such that all teaching is consistently high quality or better.
- ◆ Develop the roles and responsibilities of middle leaders to improve delegation and create a structure which supports the strategic development of the school.
- ◆ Develop and consistently demonstrate excellence in leadership, modelling high professional and pedagogical standards that impact positively on staff and pupils.

Spiritual values and the school environment:

- ◆ Maintain the school's Church of England ethos through continued involvement with St Marylebone parish church and the role of the school's chaplain.
- ◆ Raise the profile of the school's Church of England values so that they permeate all aspects of school life.

## **OBJECTIVES AND ACTIVITIES (continued)**

### **Objectives, strategies and activities**

The Academy is a co-educational centre of excellence for pupils with Speech, Language and Communication needs. Serving the local community it fulfils a need for secondary places for students with speech and language barriers.

The close link with St Marylebone Church of England School allows the Academy's students to benefit from the mainstream School's specialism in SEN and its proven commitment to outstanding, effective and inclusive educational provision, supported by integrated care. Students also benefit from St Marylebone's proven track record in the pursuit of excellence, and its high aspirations for all members of our multi-cultural, multi-faith community and its outstanding teaching and learning.

Form Tutors and the Pastoral Leader carefully monitor academic progress. A code of conduct, which pupils agree to follow when they start in Year 7, ensures that firm yet fair discipline engenders an orderly and happy school community.

Academy rules are simple, clear and precise, encouraging routine, structure and consistency. The Academy aims for excellent behaviour from all students who will actively support one another and the wider community.

A close partnership between the Academy and parents and carers helps to support academic progress. All pupils have a school diary in which to record their homework, providing a day-to-day method for teachers to communicate with home. Parents and carers receive regular reports and are encouraged to attend Parents' Evenings where they will be able to discuss their child's academic progress and achievement.

In order to develop and nurture the confidence and self-esteem of pupils, the Academy believes in the importance of celebrating achievement. To this end we operate a system of specific praise and reward for academic success, hard work and good conduct.

### **Public Benefit**

In setting the Academy's objectives and planning its activities, the Board of Governors has given careful consideration to the Charity Commission's general guidance on public benefit.

## **STRATEGIC REPORT**

### **Achievements and performance**

#### ***Review of activities***

The academic year 2017/18 was the fifth year of operation for the School with pupils in Years 7, 8, 9, 10 and 11. The School is very grateful for the continued support of Westminster City Council and the Education and Skills Funding Agency who have both facilitated the continued occupation of the current site at 17-23 Third Avenue whilst a more permanent site is secured. In order to accommodate our new Year 11 cohort during 2017/18 we had a new temporary building installed over the summer of 2017.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

***Review of activities*** (continued)

This meant we have had specialist science and food technology rooms in addition to three new classrooms and some additional break out space. The specialist classrooms have had a positive impact on the curriculum taught within science and food technology.

This year was the first year that pupils undertook a batch of formal qualifications and all who did so achieved a range of qualifications in Maths, English, ICT, Science, RS, PSHE, Art & Design, History, Geography and PE. The qualifications were awarded at GCSE, Functional Skills and Entry level.

We are still in the process of exploring some new options for our permanent premises, including feasibility studies for sites within Westminster.

***Going concern***

After making appropriate enquiries, the Board of Governors 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 Principal Accounting Policies.

***Key financial performance indicators***

The Finance and Premises Committee reviews key financial data, including performance indicators, at each of their meetings. A commentary on performance for the period is presented, with detailed management accounts that include the following information:

- ◆ Income to date versus budget to date comparisons, analysed by income heading;
- ◆ Expenditure to date versus budget to date comparisons, analysed by expenditure heading;
- ◆ Projected surplus/deficit for the year, analysed by income and expenditure headings; and
- ◆ Bank and investment balances, both period end and current.

Staff costs represent the majority of the Academy Trust's expenditure and as such they are closely scrutinised. Actual staff costs are monitored monthly against budget with trends being extrapolated to provide expected year-end outcomes. Utility costs, including gas, electric and water, are also scrutinised to ensure efficient use of resources having regard to environmental impact.

## **STRATEGIC REPORT** (continued)

### **Financial review**

#### ***Financial report for the year***

The financial position of the Academy at 31 August 2018 showed surplus funds of £41k (2017 - £59k), consisting of unrestricted general funds of £nil (2017 - £nil), restricted ESFA revenue funds before LGPS pension deficit of £nil (2017 - £22k) and after LGPS pension deficit of £150k (2017 - £103k), restricted other revenue funds of £128k (2017 - £16k), and restricted capital funds of £63k (2017 - £147k) in respect of the carrying value of capitalised refurbishment works, furniture and equipment.

The results for the year are shown on page 27. The net movement in funds, before reflecting the increase in LGPS pension deficit of £25k (2017 - £55k), is positive at £7k (2017 - negative at £125k). However, after reflecting the increase in LGPS deficit, the net movement in funds was negative at £18k (2017 - negative at £180k). The higher deficit in the year ended 2017 was predominantly in respect of restricted capital funds, namely the write off of temporary classrooms removed from site at the end of the year.

#### ***Reserves policy***

The Academy established, in the previous year, a reserves policy that requires a minimum level of restricted revenue reserves, before deduction of the pension deficit, of 1% of restricted revenue expenditure plus 1/7<sup>th</sup> of the value of the LGPS pension deficit. As at 31 August 2018, this equates to a minimum balance of £35k (£14k plus £21k in respect of the pension deficit). As at 31 August 2018, the restricted revenue reserves excluding pension deficit totalled £128k (2017 - £38k).

Whilst it is acknowledged that the LGPS pension deficit has not crystallised, the increase will inform future contribution levels and this policy aims to mitigate the impact of higher contribution levels that may be imposed.

#### ***Financial and risk management objectives and policies***

The Governors, with assistance from the Audit Committee, review the Academy's risk register on a regular basis. Policy development and maintenance is informed by this review.

#### ***Investment policy***

At each of its meetings, the Finance and Premises Committee reviews the level of funds held. Throughout the period these funds were held at HSBC Bank plc.

The Finance and Premises Committee will approve any changes to the organisations and/or accounts in which the Academy's funds are invested. However, in doing so they will take a low risk approach to investment, particular at a time when investment returns are low, in order to protect the funds generated to date for the benefit of future years.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

With a maximum capacity likely to remain at the current 60 places, the revenue budget for operating the Academy is very tight. As a new school without historic reserves, cashflow is also a key risk and we are reliant on timely monthly payments from the ESFA and from the local authorities that we serve. The Governors are acutely aware of these risks but are confident that the Finance Department monitors the budget and cashflow as their highest priority. Good management of the Project Development Grant during the pre-opening phase ensured that there was a modest cash reserve available for the start of the Academy's first academic year. This reserve has helped and continues to help to mitigate these financial risks.

### **FUNDRAISING**

The Academy does not actively engage in public fundraising activities and does not utilise any third party organisations to fundraise on its behalf. Donations and grants are secured from time to time through the generosity of its supporters, and these are hugely appreciated.

### **FUTURE ACTIVITIES AND PLANS**

The Academy continues to work with the Education and Skills Funding Agency and with Westminster City Council in order to secure permanent premises and the Governors are very grateful for their continued support. Two sites are currently being investigated in order to determine a preferred site for development, with all parties involved working hard to ensure that momentum is maintained to enable the Academy to be installed within a permanent site in a timely manner.

We are continuously looking at developing our curriculum, in particular our qualifications offered at Key Stage 4, and looking at ensuring that our pupils get the opportunity to gain the skills and experiences that they need to prepare for the next steps in their education. As part of this we are undertaking a piece of work alongside the Bi-Borough in building closer links with Post 16 providers with the aim of better preparing our pupils for adulthood.

We have developed our careers program in line with the Gatsby Benchmarks (<http://www.gatsby.org.uk/education/focus-areas/good-career-guidance>) which allows all year groups to experience encounters with employers, and year 11's to undertake meaningful work experience. We are using links with Westminster Enterprise Unit to help support us meet some of the benchmarks.

As the range and complexity of our pupils continues to change we are looking at refining and developing our knowledge and expertise to better support the wider needs of pupils joining us.

**Governors' report (including the strategic report) Year to 31 August 2018**

**AUDITOR**

In so far as the Governors are aware:

- ♦ there is no relevant audit information of which the Academy Trust's auditor is unaware;  
and
- ♦ the Governors 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.

Governors' report, incorporating a strategic report, approved by resolution of the Governors and signed on their behalf by:



Chairman of the Board of Governors

Date: 27<sup>th</sup> November 2018

## Governance statement Year to 31 August 2018

### Scope of responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that the 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 Board of Governors has delegated the day-to-day responsibility to the Head of School, 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 the Academy and the Secretary of State for Education. The Head of School is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Governors' report and in the statement of Governors' responsibilities. The Board of Governors has formally met six times during the period. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Dr Margaret Mountford (Chairman)	5	6
Mr Ade Adigun	5	6
Mrs Clare Alexander	4	6
Mrs Julia Burrows	1	1
Mrs Harriet Capon	2	2
Ms Elizabeth Carey	6	6
Mr Islam Chowdhury	5	6
Reverend Stephen Evans	3	6
Miss Joanne Ilbury	2	3
Mr Steven Larcombe	5	6
Miss Kate Miller (Head of School)	5	6
Ms Kathryn Pugh (Executive Headteacher)	6	6
Mr Dominic Sunderland	1	3
Mr Richard Taylor	6	6



**Governance** (continued)

***Governance reviews***

The composition and effectiveness of the Board of Governors is reviewed annually. The Academy Trust is very fortunate to have a strong Board, the composition of which is consistent with the Articles of Association and brings a broad and varied knowledge and experience base to both full Board and Committee meetings. The Ofsted inspection report acknowledged and confirmed the strong governance in place. The Governors have a clear commitment to the provision of high quality education to pupils with speech, language and communication needs.

There will be a further review of the composition and effectiveness of the Board of Governors during the academic year 2018/19.

The Finance and Premises Committee is a sub-committee of the main Board of Governors, consisting of seven of those Governors. Its purpose is to support the Board in making decisions concerning the Academy's finances within the Committee's Terms of Reference. The Finance and Premises Committee has formally met six times during the year. Attendance during the year at meetings of the Committee was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Ade Adigun	3	6
Ms Elizabeth Carey (Chairman)	6	6
Reverend Stephen Evans	3	6
Mr Steven Larcombe	5	6
Dr Margaret Mountford	5	6
Mr Dominic Sunderland	1	3
Mr Richard Taylor	6	6

The Audit Committee is a sub-committee of the main Board of Governors, consisting of six of the governors. Its purpose is to ensure that there is an appropriate system of internal control in place, that it is implemented and reviewed, and to recommend the audit plan and financial statements for the approval by the Board of Governors. The Audit Committee formally met two times during the period, attendance was as follows:

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Ade Adigun	0	2
Mrs Julia Burrows	0	1
Ms Elizabeth Carey	2	2
Mr Steven Larcombe (Chairman)	2	2
Dr Margaret Mountford	2	2
Ms Kathryn Pugh (Executive Headteacher)	1	2

### **Review of value for money**

As Accounting Officer, the Head of School 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 outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during the academic year, and reports to the Board of Governors where value for money can be improved, including the use on benchmarking data where available. The Accounting Officer for the Academy Trust has delivered and improved value for money during the year as follows:

Core funding for the school from the Education and Skills Funding Agency and from local authorities is modest as a result of the small pupil count. It is therefore of paramount importance to ensure that those funds are well managed and used only for expenditure that derives most benefit to pupils. There are regular meetings for senior staff to closely analyse curriculum spending to ensure any money spent has a direct impact on pupils achievement and engagement. The Finance Team ensure that high standards of probity are maintained and that all purchasing follows public procurement guidelines. To supplement these core funds, over the past year additional funding has been secured for a range of initiatives, such as gardening. We have been very fortunate to have benefitted from support from the Jack Petchey Foundation, Health Education England and City of Westminster. The Academy is hugely grateful for the contributions from these organisations, all of whom have enabled an enriched educational experience for pupils.

### **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 the 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 at the Academy for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

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

### **The risk and control framework**

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors;
- ◆ regular reviews by the Finance and Premises 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; and
- ◆ identification and management of risks.

The Board of Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed an Audit Committee and a Responsible Officer ('RO'). The RO's role, performed by Mrs Clare Alexander during the year, includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, the RO will report to the Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities. The RO has been assisted by the auditors who have performed the required RO checks during the period. The auditors prepared a report to the RO on their findings following their visit. Some recommendations were made but none that were deemed significant. The RO then reported to the Board of Governors and followed up on actions to ensure that those recommendations had been implemented by the Finance Team.

### **Review of effectiveness**

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

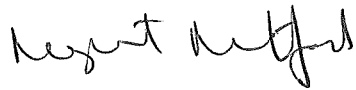
- ◆ the work of the Responsible Officer;
- ◆ the work of the Audit Committee;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self assessment process;
- ◆ the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

**Governance statement** Year to 31 August 2018

**Review of effectiveness** (continued)

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

Approved by order of the Board of Governors and signed on its behalf by:



(Chairman of Board of Governors)



(Accounting Officer)

Approved on: 27<sup>th</sup> November 2018

**Statement on regularity, propriety and compliance** Year to 31 August 2018

As Accounting Officer of The St Marylebone Church of England Bridge School, I have considered my responsibility to notify the Academy Trust's Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



Accounting Officer

Date: 27<sup>th</sup> November 2018

## Statement of Governors' responsibilities Year to 31 August 2018

The Governors (who act as trustees of the Academy Trust and are also the directors of the Academy Trust for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education and Skills Funding Agency (ESFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Academy Trust and of its income and expenditure for that period. In preparing these financial statements, the Governors are required to:

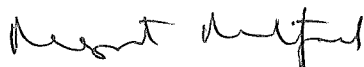
- ♦ select suitable accounting policies and then apply them consistently;
- ♦ observe the methods and principles in the Charities' SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- ♦ make judgments and estimates that are reasonable and prudent;
- ♦ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy Trust will continue in operation.

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the Academy Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Academy Trust 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 Academy Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the Academy Trust 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 ESFA/DfE have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the charity and financial information included on the Academy Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the Board of Governors and signed on its behalf by:



Chairman of Board of Governors

Date: 27<sup>th</sup> November 2018

**Independent auditor's report to the Members of The St Marylebone Church of England Bridge School**

**Opinion**

We have audited the financial statements of The St Marylebone Church of England Bridge School (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), 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) (the Charities SORP 2015) and the Academies Accounts Direction 2017 to 2018.

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 2018 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- ◆ the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

**Conclusions relating to going concern** (continued)

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

**Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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



## **Independent auditor's reports** Year to 31 August 2018

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of governors**

As explained more fully in the Governors' responsibilities statement, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

**Independent auditor's reports** Year to 31 August 2018

**Use of our report**

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



Katharine Patel, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

19 December 2018

**Independent reporting accountant's assurance report on regularity to The St Marylebone Church of England Bridge School and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 26 October 2012 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The St Marylebone Church of England Bridge School during the period from 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The St Marylebone Church of England Bridge School's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of The St Marylebone Church of England Bridge School's grant funding agreement with the Secretary of State for Education dated 26 September 2012 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

**Approach** (continued)

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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- ◆ An assessment of the risk of material irregularity and impropriety across all of the Academy Trust's activities;
- ◆ Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- ◆ Consideration of evidence obtained through the work detailed above and the work completed as part of our financial statements audit in order to support the regularity conclusion.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

19 December 2018

**Statement of financial activities** (including income and expenditure account and statement of total recognised gains and losses) Year to 31 August 2018

	Notes	Unrestricted general fund £'000s	Restricted funds			2018 Total Funds £'000s	2017 Total Funds £'000s
			ESFA fund £'000s	Other funds £'000s	Fixed assets fund £'000s		
<b>Income from:</b>							
Donations and capital grants	1	2		—	6	8	54
Charitable activities						—	-
. Funding for the Academy's educational operations	2	12	688	800	—	1,500	1,129
<b>Total income</b>		14	688	800	6	1,508	1,183
<b>Expenditure on:</b>							
Charitable activities:							
. Academy's educational operations	4	14	795	688	83	1,580	1,370
<b>Total expenditure</b>		14	795	688	83	1,580	1,370
<b>Net (expenditure) income before transfers</b>		—	(107)	112	(77)	(72)	(187)
<b>Transfers between funds</b>	13	—	6	—	(6)	—	—
<b>Net (expenditure) income</b>		—	(101)	112	(83)	(72)	(187)
<b>Other recognised gains and losses</b>							
Actuarial gains on defined benefit pension schemes	16	—	54	—	—	54	7
<b>Net movement in funds</b>		—	(47)	112	(83)	(18)	(180)
<b>Reconciliation of funds</b>							
Fund balances brought forward at 1 September 2017		—	(103)	16	146	59	239
<b>Fund balances carried forward at 31 August 2018</b>		—	(150)	128	63	41	59

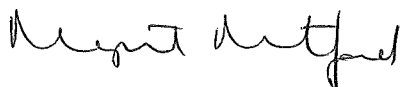
All of the Academy Trust's income derived from continuing operations in the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the above Statement of Financial Activities.

**Balance sheet** 31 August 2018

	Notes	2018 £'000s	2018 £'000s	2017 £'000s	2017 £'000s
<b>Fixed assets</b>					
Tangible fixed assets	10		63		146
<b>Current assets</b>					
Debtors	11	122		155	
Cash at bank and in hand		138		72	
		260		227	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	12	(132)		(189)	
<b>Net current assets</b>			128		38
<b>Net assets excluding pension scheme liability</b>			191		184
Pension scheme liability	16		(150)		(125)
<b>Total net assets</b>			41		59
<b>Funds of the Academy</b>	13				
<b>Restricted funds</b>					
. Fixed assets fund			63		146
. Restricted ESFA fund			—		22
. Other restricted funds			128		16
. Pension reserve			(150)		(125)
<b>Total restricted funds</b>			41		59
<b>Unrestricted income funds</b>					
. General fund			—		—
<b>Total funds</b>			41		59

The financial statements on pages 27 to 48 were approved by the Governors, authorised for issue and are signed on their behalf by:



Chairman of Board of Governors

Date: 27<sup>th</sup> November 2018

The St Marylebone Church of England Bridge School  
Company Limited by Guarantee  
Registration Number: 08270125 (England and Wales)

# Statement of cash flows Year to 31 August 2018

		2018 £'000s	2017 £'000s
<b>Net cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	A	60	(129)
<b>Cash flows from investing activities</b>	B	6	10
<b>Change in cash and cash equivalents in the year</b>		<b>66</b>	<b>(119)</b>
<b>Reconciliation of net cash flow to movement in net funds:</b>			
Cash and cash equivalents at 1 September 2017		72	191
Cash and cash equivalents at 31 August 2018	C	<b>138</b>	<b>72</b>

## A Reconciliation of net expenditure to net cash flow from operating activities

	2018 £'000s	2017 £'000s
<b>Net expenditure for the year (as per the statement of financial activities)</b>	<b>(72)</b>	<b>(187)</b>
<b>Adjusted for:</b>		
Depreciation (note 10)	83	74
Loss on disposal of fixed assets	—	57
Capital grants from DfE and other capital income	(6)	(40)
Defined benefit pension scheme cost less contributions payable (note 16)	76	60
Defined benefit pension scheme finance cost (note 16)	3	2
Decrease in debtors	33	94
Decrease in creditors	(57)	(189)
<b>Net cash provided by (used in) operating activities</b>	<b>60</b>	<b>(129)</b>

## B Cash flows from investing activities

	2018 £'000s	2017 £'000s
Purchase of tangible fixed assets	—	(30)
Capital grants from DfE/ESFA	6	40
<b>Net cash provided by investing activities</b>	<b>6</b>	<b>10</b>

## C Analysis of cash and cash equivalents

	2018 £'000s	2017 £'000s
Cash at bank and in hand	138	72
<b>Total cash and cash equivalents</b>	<b>138</b>	<b>72</b>

## **Principal accounting policies** Year to 31 August 2018

### **Statement of 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.

### **Basis of preparation**

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

The St Marylebone Church of England Bridge School meets the definition of a public benefit entity under FRS 102.

The financial statements are presented in sterling and rounded to the nearest thousand pounds.

### **Going concern**

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

### **Income**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

### **Grants**

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



## Principal accounting policies Year to 31 August 2018

### **Income** (continued)

#### **Grants** (continued)

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

Capital grants are recognised 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.

#### **Donations**

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

#### **Other income**

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

### **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.

#### **Charitable activities**

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

All expenditure is stated net of recoverable VAT.

### **Tangible fixed assets**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

## Principal accounting policies Year to 31 August 2018

### **Tangible fixed assets** (continued)

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

Building improvements	20% per annum
Furniture and equipment	20% per annum
Motor vehicles	20% per annum

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.

### **Liabilities**

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

### **Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

### **Financial instruments**

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

*Cash at bank* – is classified as a basic financial instrument and is measured at face value.

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

## **Principal accounting policies Year to 31 August 2018**

### **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.

### **Pensions benefits**

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

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 Trust 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 16, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

### **Fund accounting**

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

## **Principal accounting policies** Year to 31 August 2018

### **Fund accounting** (continued)

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

Restricted ESFA funds comprise all grants received from the Education and Skills Funding Agency.

Other restricted funds comprise all other restricted funds received and include grants from the Local Authority, Westminster City Council.

### **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 for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Notes to the financial statements** Year to 31 August 2018

**1 Donations and capital grants**

	Unrestricted funds £'000s	Restricted general funds £'000s	Restricted fixed assets funds £'000s	2018 Total funds £'000s	2017 Total funds £'000s
Capital grants	—	—	6	6	40
Other donations	2	—	—	2	14
	<u>2</u>	<u>—</u>	<u>6</u>	<u>8</u>	<u>54</u>

**2 Funding for Academy's educational operations**

	Unrestricted funds £'000s	Restricted funds £'000s	2018 Total funds £'000s	2017 Total funds £'000s
<b>DfE / ESFA revenue grant</b>				
. General Annual Grant (GAG)	—	624	624	506
. Start up Grants	—	6	6	6
. Other DfE / ESFA grants	—	58	58	42
	<u>—</u>	<u>688</u>	<u>688</u>	<u>554</u>
<b>Other government grants</b>				
. Local authority grants	—	800	800	573
	<u>—</u>	<u>800</u>	<u>800</u>	<u>573</u>
Other income from the Academy Trust's educational operations	12	—	12	2
	<u>12</u>	<u>1,488</u>	<u>1,500</u>	<u>1,129</u>

## Notes to the financial statements Year to 31 August 2018

### 3 Expenditure

	Staff costs (note 7) £'000s	Non pay expenditure		2018 Total funds £'000s	2017 Total funds £'000s
		Premises £'000s	Other costs £'000s		
Academy's educational operations					
. Direct costs	864	83	6	953	614
. Support costs	400	151	76	627	756
<b>Total expenditure</b>	<b>1,264</b>	<b>234</b>	<b>82</b>	<b>1,580</b>	<b>1,370</b>
<b>Expenditure during the year includes:</b>				<b>2018 Total funds £'000s</b>	<b>2017 Total funds £'000s</b>
Fees payable to auditor				5	4
. Statutory audit				83	74
Depreciation					

### 4 Charitable activities - Academy's educational operations

	2018 Total funds £'000s	2017 Total funds £'000s
Direct costs	953	614
Support costs	627	756
	<b>1,580</b>	<b>1,370</b>
<b>Analysis of support costs</b>		
Support staff costs	400	513
Depreciation	83	74
Technology costs	15	10
Premises costs	68	42
Other support costs	56	113
Governance costs	5	4
<b>Total support costs</b>	<b>627</b>	<b>756</b>

## Notes to the financial statements Year to 31 August 2018

### 5 Governance costs

	Unrestricted funds £'000	Restricted funds £'000	2018 Total funds £'000s	2017 Total funds £'000s
Auditor's remuneration:				
. Audit of financial statements	5	—	5	4
	<u>5</u>	<u>—</u>	<u>5</u>	<u>4</u>

### 6 Comparative information

Analysis of income and expenditure in the year ended 31 August 2017 between restricted and unrestricted funds:

	Unrestricted general fund £'000s	Restricted funds			2017 Total Funds £'000s
		ESFA fund £'000s	Other funds £'000s	Fixed assets fund £'000s	
<b>Income from:</b>					
Donations and capital grants	—	—	14	40	54
Charitable activities					
. Funding for the Academy's educational operations	2	554	573	—	1,129
<b>Total income</b>	<u>2</u>	<u>554</u>	<u>587</u>	<u>40</u>	<u>1,183</u>
<b>Expenditure on:</b>					
Charitable activities:					
. Academy's educational operations	2	659	578	131	1,370
<b>Total expenditure</b>	<u>2</u>	<u>659</u>	<u>578</u>	<u>131</u>	<u>1,370</u>
<b>Net (expenditure) income before transfers</b>	—	(105)	9	(91)	(187)
<b>Transfers between funds</b>	—	10	—	(10)	—
<b>Net (expenditure) income</b>	<u>—</u>	<u>(95)</u>	<u>9</u>	<u>(101)</u>	<u>(187)</u>
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	—	7	—	—	7
<b>Net movement in funds</b>	—	(88)	9	(101)	(180)
<b>Reconciliation of funds</b>					
Fund balances brought forward at 1 September 2016	—	(15)	7	247	239
<b>Fund balances carried forward at 31 August 2017</b>	<u>—</u>	<u>(103)</u>	<u>16</u>	<u>146</u>	<u>59</u>

## 7 Staff costs

### (a) Staff costs

Staff costs during the year were:

	2018 £'000s	2017 £'000s
Wages and salaries	669	627
Social security costs	67	62
Pension costs	182	138
	<b>918</b>	<b>827</b>
Staff costs recharged by The St Marylebone Church of England School	151	161
Other agency staff costs	195	92
	<b>1,264</b>	<b>1,080</b>

During the year, the Academy employed its own teachers and support staff. In addition, the Academy utilised staff resources from its parent company, The St Marylebone Church of England School. Staff utilised from the parent company were recharged at cost, including social security and pension contributions.

### (b) Staff numbers

The average number of persons (including the senior management team) employed by the charitable company during the year ended 31 August 2018 was as follows:

Charitable activities	2018 No.	2017 No.
Teaching and management	14	12
Administration and support	9	11
	<b>23</b>	<b>23</b>

### (c) Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2018 No.	2017 No.
£60,001 - £70,000	1	—
£70,001 - £80,000	—	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 pension contributions for this staff member amounted to £10,940 (2017 - £11,987).

### (d) Key management personnel

The key management personnel of the Academy Trust comprise the Governors and the senior leadership team as listed on page 1. The total amount of employee benefits (including employee pension contributions) received by key management personnel for their services to the Academy Trust was £238,704 (2017 - £248,475).



## 8 Governors' remuneration and expenses

The Head of School and Staff Governors only receive remuneration in respect of services they provide in undertaking their roles as employees and not in respect of their services as Governors. The value of Governors' remuneration and other benefits, during their period in office as a Governor, was as follows:

	2018 £'000s	2017 £'000s
Miss K Miller, Head of School and Staff Governor		
. Remuneration	65 – 70	55 – 60
. Employer's pension contributions	10 – 15	5 – 10
Mr D Sunderland, Staff Governor		
. Remuneration	40 – 50	70 – 75
. Employer's pension contributions	5 – 10	10 – 15
Mr R Taylor, Staff Governor		
. Remuneration	40 – 45	40 – 45
. Employer's pension contributions	5 – 10	5 – 10

Other Governors did not receive any payments, or expenses, from the Academy in respect of their role as Governors (2017 – none).

Other related party transactions involving the Governors are set out in note 18.

## 9 Governors' and Officers' insurance

As recommended by the Department for Education, the Academy has joined the Risk Protection Arrangement (RPA) to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. Membership provides cover up to £5,000,000 on any one claim. The cost of the entire insurance package and RPA membership for the year ended 31 August 2018 was £1,118 (2017 - £980).

## 10 Tangible fixed assets

	Building improve- ments £'000s	Furniture and equipment £'000s	Motor vehicles £'000s	Total funds £'000s
<b>Cost</b>				
At 1 September 2017	228	90	38	356
At 31 August 2018	228	90	38	356
<b>Depreciation</b>				
At 1 September 2017	148	45	17	210
Charge in year	57	18	8	83
At 31 August 2018	205	63	25	293
<b>Net book value</b>				
At 31 August 2018	23	27	13	63
At 31 August 2017	80	46	20	146

# **10 Tangible fixed assets** (continued)

The school building at Third Avenue is a temporary site, made available to the Academy by the Lord Mayor and Citizens of the City of Westminster. Given the short-term nature of the occupation, no value has been included for these buildings in these financial statements, other than the cost of improvements carried out during this and previous periods, which amounted to a cost of £86,736 (2017 – £86,736).

The school buildings at Blandford Street are available to the Academy for use under a licence agreement, the parties to which are the Academy, its parent company The St Marylebone Church of England School, and the Rector and Churchwardens of the Ecclesiastical Parish of St Marylebone with Holy Trinity St Marylebone. The latter party holds an agreement for lease from The Lord Mayor and citizens of the City of Westminster who in turn hold a head lease from the Howard de Walden Estate. As such, no value has been included for these buildings in the financial statements other than the cost of improvements carried out during previous periods, at a cost of £140,989 (2017 – £140,989).

The continuing permission of the Rector and Churchwardens is pursuant to, and subject to, their charitable objects and is part of the Church of England's contribution to provide state funded education in partnership with the government. The licence delegates aspects of the management of the land (and buildings) to the Academy for the time being, but does not vest any rights over the land in the Academy. Having considered the factual matrix under which the Academy is occupying the land (and buildings) the Governors have concluded that the value of the land and buildings occupied by the Academy will not be recognised on the balance sheet.

## **11 Debtors**

	2018 £'000s	2017 £'000s
Trade debtors	2	28
VAT recoverable	13	5
Prepayments and accrued income	107	122
	<b>122</b>	<b>155</b>

## **12 Creditors: amounts falling due within one year**

	2018 £'000s	2017 £'000s
Trade creditors	26	12
Taxation and social security	18	16
Amounts due to St Marylebone Church of England School	62	135
Accruals and deferred income	26	26
	<b>132</b>	<b>189</b>

	2018 £'000s	2017 £'000s
Deferred income (included above)		
Deferred income at 1 September 2017	15	14
Released during the year	—	(14)
Resources deferred during the year	6	15
Deferred income at 31 August 2018	<b>21</b>	<b>15</b>

## Notes to the financial statements Year to 31 August 2018

### 12 Creditors: amounts falling due within one year

Deferred income consists of £18,000 (2017 – £12,000) in respect of funding received in connection with year groups not yet admitted and £3,333 (2017 - £3,333) in respect of receipts from a sales invoice raised in advance.

### 13 Funds

	Balance at 1 September 2017 £'000s	Income £'000s	Expenditure £'000s	Transfers, gains and losses £'000s	Balance at 31 August 2018 £'000s
<b>Restricted ESFA funds</b>					
. General Annual Grant (GAG)	22	624	(652)	6	—
. Start up grant	—	6	(6)	—	—
. Pupil Premium	—	39	(39)	—	—
. Other grants	—	19	(19)	—	—
. Pension reserve	(125)	—	(79)	54	(150)
	(103)	688	(795)	60	(150)
<b>Other restricted funds</b>					
. Local authority grants	16	800	(688)	—	128
	16	800	(688)	—	128
<b>Fixed assets fund</b>					
. DfE/ESFA capital grants	146	6	(83)	(6)	63
	146	6	(83)	(6)	63
<b>Total restricted funds</b>	59	1,494	(1,566)	54	41
<b>Unrestricted funds</b>					
. General funds	—	14	(14)	—	—
<b>Total unrestricted funds</b>	—	14	(14)	—	—
<b>Total funds</b>	59	1,508	(1,580)	54	41

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

#### **ESFA revenue grant fund and other restricted funds**

ESFA grants consist of monies received for the pre-opening development and post-opening operation of the Academy Trust. Local authority top-up funding consists of monies received for the post-opening operation of the Academy.

#### **General Annual Grant**

Under the funding agreement with the Secretary of State, the Academy was not subject to a limited amount of GAG that it could carry forward at 31 August 2018.

### 13 Funds (continued)

#### **Restricted fixed asset fund**

Restricted fixed asset funds represent capital grants receivable, for the purchase of capital items, less depreciation charged in the period.

#### **Comparative information**

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

	Balance at 1 September 2016 £'000s	Income £'000s	Expenditure £'000s	Transfers, gains and losses £'000s	Balance at 31 August 2017 £'000s
<b>Restricted ESFA funds</b>					
. General Annual Grant (GAG)	54	507	(549)	10	22
. Start up grant	—	6	(6)	—	—
. Pupil Premium	—	29	(29)	—	—
. Other grants	—	12	(12)	—	—
. Pension reserve	(70)	—	(62)	7	(125)
	(16)	554	(658)	17	(103)
<b>Other restricted funds</b>					
. Local authority grants	—	573	(573)	—	—
. Other restricted funds	7	14	(5)	—	16
	7	587	(578)	—	16
<b>Fixed assets fund</b>					
. DfE/ESFA capital grants	248	40	(132)	(10)	146
	248	40	(132)	(10)	146
<b>Total restricted funds</b>	<b>239</b>	<b>1,181</b>	<b>(1,368)</b>	<b>7</b>	<b>59</b>
<b>Unrestricted funds</b>					
. General funds	—	2	(2)	—	—
<b>Total unrestricted funds</b>	<b>—</b>	<b>2</b>	<b>(2)</b>	<b>—</b>	<b>—</b>
<b>Total funds</b>	<b>239</b>	<b>1,183</b>	<b>(1,370)</b>	<b>7</b>	<b>59</b>

## Notes to the financial statements Year to 31 August 2018

### 13 Funds (continued)

#### *Comparative information (continued)*

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £'000s	Income £'000s	Expenditure £'000s	Transfers, gains and losses £'000s	Balance at 31 August 2018 £'000s
<b>Restricted ESFA funds</b>					
. General Annual Grant (GAG)	54	1,131	(1,201)	16	—
. Start up grant	—	12	(12)	—	—
. Pupil Premium	—	68	(68)	—	—
. Other grants	—	31	(31)	—	—
. Pension reserve	(70)	—	(141)	61	(150)
	(16)	1,242	(1,453)	77	(150)
<b>Other restricted funds</b>					
. Local authority grants	—	1,373	(1,261)	—	112
. Other restricted funds	7	14	(5)	—	16
	7	1,387	(1,266)	—	128
<b>Fixed assets fund</b>					
. DfE/ESFA capital grants	248	46	(215)	(16)	63
	248	46	(215)	(16)	63
<b>Total restricted funds</b>	<b>239</b>	<b>2,675</b>	<b>(2,934)</b>	<b>61</b>	<b>41</b>
<b>Unrestricted funds</b>					
. General funds	—	16	(16)	—	—
<b>Total unrestricted funds</b>	<b>—</b>	<b>16</b>	<b>(16)</b>	<b>—</b>	<b>—</b>
<b>Total funds</b>	<b>239</b>	<b>2,691</b>	<b>(2,950)</b>	<b>61</b>	<b>41</b>

### 14 Analysis of net assets between funds

	Unrestricted fund £'000s	Restricted general funds £'000s	Restricted fixed asset fund £'000s	Total 2018 £'000s
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	—	—	63	63
Current assets	—	260	—	260
Current liabilities	—	(132)	—	(132)
Pension scheme liability	—	(150)	—	(150)
<b>Total net assets</b>	<b>—</b>	<b>(22)</b>	<b>63</b>	<b>41</b>

### **15 Members' liability**

Each member of the Academy Trust 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.

### **16 Pension and similar obligations**

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

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

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

#### ***Teachers' Pension Scheme***

##### *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.

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:

## 16 Pension and similar obligations (continued)

### *Teachers' Pension Scheme* (continued)

#### *Valuation of the Teachers' Pension Scheme*

- ♦ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge);
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191.5 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176.6 billion giving a notional past service deficit of £14.9 billion;
- ♦ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- ♦ the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the period amounted to £70,014 (2017 - £51,651).

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

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

### *Local Government Pension Scheme (LGPS)*

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £52,000 (2017 - £38,000), of which employer's contributions totalled £38,000 (2017 - £26,000) and employees' contributions totalled £14,000 (2017 - £12,000).

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.

**16 Pension and similar obligations (continued)**

***Local Government Pension Scheme (LGPS)*** (continued)

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
Rate of increase in salaries	3.8%	4.2%
Rate of increase for pensions in payment / inflation	2.3%	2.7%
Discount rate for scheme liabilities	2.7%	2.6%
Inflation assumption (CPI)	2.3%	2.7%
Commutation of pensions to lump sums	50%	50%

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

	<b>At 31 August 2018 Years</b>	<b>At 31 August 2017 Years</b>
<i>Retiring today</i>		
Males	24.5	24.4
Females	26.1	26.0
<i>Retiring in 20 years</i>		
Males	26.8	26.7
Females	28.5	28.3

<b>Sensitivity analysis – impact on the net pension liability arising from a change in assumptions</b>	<b>At 31 August 2018 £'000</b>	<b>At 31 August 2017 £'000</b>
Discount rate +0.1%	(10)	(7)
Discount rate -0.1%	10	7
Mortality assumption – 1 year increase	9	7
Mortality assumption – 1 year decrease	(9)	(7)



## 16 Pension and similar obligations (continued)

### *Local Government Pension Scheme (LGPS) (continued)*

The Academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2018 £'000s	Fair value at 31 August 2017 £'000s
Equities	112	68
Bonds	20	12
Property	13	8
Cash and other liquid assets	1	1
<b>Total market value of assets</b>	<b>146</b>	<b>89</b>
<b>Present value of scheme liabilities</b>		
. Funded	(296)	(214)
<b>Deficit in scheme</b>	<b>(150)</b>	<b>(125)</b>

The actual return on scheme assets was £5,000 (2017 - £11,000).

	2018 £'000s	2017 £'000s
<b>Amounts recognised in statement of financial activities</b>		
Current service cost	114	86
Interest cost	6	3
<b>Total operating charge</b>	<b>120</b>	<b>89</b>
<b>Analysis of pension finance</b>		
Expected return on pension scheme assets	3	1
Interest on pension liabilities	(6)	(3)
<b>Pension finance costs</b>	<b>(3)</b>	<b>(2)</b>

<b>Changes in the present value of defined benefit obligations were as follows:</b>	2018 £'000s	2017 £'000s
At 1 September 2017	214	109
Current service cost	114	86
Interest cost	6	3
Employee contributions	14	12
Actuarial loss	(52)	4
<b>At 31 August 2018</b>	<b>296</b>	<b>214</b>

## 16 Pension and similar obligations (continued)

### *Local Government Pension Scheme (LGPS) (continued)*

Changes in the fair value of the Academy's share of scheme assets:	2018 £'000s	2017 £'000s
Fair value of scheme assets at 1 September 2017	89	39
Interest income	3	1
Return on assets less interest	2	10
Other actuarial gains	—	1
Employer contributions	38	26
Employee contributions	14	12
<b>Fair value of scheme assets at 31 August 2018</b>	<b>146</b>	<b>89</b>

## 17 Ultimate control

The St Marylebone Church of England School, a Charitable Company registered in England and Wales (Company Registration Number 07719620), is the ultimate parent undertaking of The St Marylebone Church of England Bridge School. The parent company exercises control by virtue of its ability to appoint the majority of Governors within the subsidiary company.

## 18 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The financial statements do not include disclosure of transactions between the Academy Trust and The St Marylebone Church of England School. This is because, as the Academy Trust is under the control of The St Marylebone Church of England School, the Academy Trust is treated as a subsidiary and is exempt from the requirement to disclose such transactions under Financial Reporting Standard 102.

Consolidated accounts for the Group are available from the Academy Trust's registered office, as listed on page 1.

No other related party transactions took place during the period of account.