

**Company Registration No. 08619729 (England and Wales)**

**ST MARY MAGDALENE ACADEMY: THE COURTYARD  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## CONTENTS

---

	<b>Page</b>
Reference and administrative details	1
Trustees' report	2 - 12
Governance statement	13- 16
Statement on regularity, propriety and compliance	17
Statement of Trustees' responsibilities	18
Independent auditor's report on the accounts	19 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities	24 - 25
Balance sheet	26
Cash flow statement	27
Notes to the accounts	28 - 45

---

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Governors

### *Directors (Trustees) and Governors;*

Reverend S Grigg (Chair of Governors) \*  
D J Higgins\*  
Ms D Shepherd (Head Teacher / Accounting Officer)  
(appointed 03/10/17)\*  
L Norman \*  
J Honigmann  
P East (appointed 20/03/18)  
SJ Miller-Jones (appointed 13/12/17) \*  
H Scanlon (appointed 19/01/18)\*  
M Wroe (appointed 13/12/17)  
F Matthews (appointed 08/05/18)  
J Gallagher (appointed 03/07/18)  
A Colgan (resigned 13/12/2017)  
A Kay

\* members of the Finance and General Purpose (FGP) Committee

### Members

Reverend P Zaphiriou  
Reverend S Grigg  
The London Diocesan Board for Schools (Corporate Member)  
Reverend G Pope  
J Coughlan

### Senior management team

- Head Teacher (Accounting Officer)

D Shepherd

### Company Secretary

I D Ship

### Company registration number

08619729 (England and Wales)

### Registered office

St Mary Magdalene Academy  
475 Liverpool Road  
London  
Greater London  
N7 8PG  
United Kingdom

### Independent Auditor

Baxter & Co  
Lynwood House  
Crofton Road  
Orpington  
Kent BR6 8QE

### Bankers

Lloyds Bank  
West London Business Centre  
39 Piccadilly, London W1V 0AA

### Solicitors

Browne Jacobson (LLP)  
Mowbray House  
Castle Meadow Road  
Nottingham NG2 1BJ

# **ST MARY MAGDALENE ACADEMY: THE COURTYARD**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

---

The Trustees present their report together with the Financial Statements and Auditor's Report of the Charitable Company for the year ended 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law. The report has been prepared in accordance with Part VI of the Charities Act 2006.

The Financial Statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charitable Company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice 2015 "Accounting and Reporting by Charities" and the Annual Accounts Direction 2017/2018 issued by the ESFA.

The Trust's principal activities are 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 offering a broad curriculum with vocational skills for a Special Free School.

#### **Structure, Governance and Management**

##### **Constitution**

The Special Free School is a company limited by guarantee with no share capital (registration no. 8619729). The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy. The Trustees for the charitable activities of The St Mary Magdalene: The Courtyard is also the Director of the Charitable Company for the purposes of company law. They serve as Governors of the academy but not all of the Governors are Trustees (Directors). The Charitable Company is known as St Mary Magdalene Academy: The Courtyard.

Details of the Trustees (Directors) and of the Governors who served during the year are included in the Reference and Administrative Details on page 1.

##### **Members' liability**

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before he/she ceased to be a member.

##### **Trustees' indemnities**

No third party indemnities have been given on behalf of Trustees or Directors. In accordance with normal commercial practice the Academy purchased insurance to protect / indemnify Governors and officers from claims arising from negligent acts, error or omissions occurring whilst on Academy business. The insurance cover was effective from 1 September 2017.

##### **Method of recruitment and appointment or election of Directors**

New Directors are recruited in accordance with the Articles of Association of the St Mary Magdalene Academy: The Courtyard. The term of office for any Director is 4 years; although this time limit does not apply to the Head Teacher, who is a Director ex-officio.

The Directors and Governors, who were in office having served since 1st September 2017 to the date of approval of these accounts, are listed on page 1.

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

The School continues to procure Governor Support services provided by its sponsor. The St Mary Magdalene Academy, under a core Service Level Agreement with them (via the London Diocesan Board for Schools). Additional training is provided as and when, and where, required based on individual or collective need, these additional services are provided by the Local Authority Governor Services.

# **ST MARY MAGDALENE ACADEMY: THE COURTYARD**

## **TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2018***

---

New Governors, in addition to external training, are inducted internally and at Governor training days for policies and procedures. All new Governors will be given a tour of the Academy Free School and the chance to meet with staff. In addition governors will be inducted for the documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

### **Organisational structure**

The following represent the Academy Free School's organisational structure with its sub-committees:

Full Governors: Sub-Committees:

#### **1. Finance and General Purpose (FGP) Committee**

The Academy Free School came into existence on 1 September 2013. The Courtyard School is a small 36-student capacity Special Free School which is situated in St Mary Magdalene Gardens which has been sponsored by The St Mary Magdalene Academy.

The Courtyard opened its doors to students in September 2013. This is now the fifth year of operation for The Courtyard School, having recruited to its maximum capacity in 2015/16 of 36 students. Its capacity number of 36 had been maintained throughout 2017/18 as a successful special educational facility in the heart of the Islington community.

The senior management in the Courtyard are: the Head Teacher: The Courtyard and the Deputy Head Teacher, in addition they are supported by the outsourced professional support and advise services supplied by the St Mary Magdalene Academy's Director of Finance and Corporate Services. These leaders control the school at an executive level implementing policies laid down by the Governors and reporting back to them. Budgets are controlled by The Courtyard Head Teacher who is also the responsible Accounting Officer.

Governors have created a flat management structure removing levels of hierarchy and giving individual members of staff clear whole-school and strategic responsibilities.

The Governors are responsible for establishing the ethos and character of the Courtyard, setting general policy, adopting an annual plan and budget, monitoring the School by the use of budgets and performance indicators and making major decisions about the direction of the School, capital expenditure and staff appointments.

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

The Executive Management Team EMT of the school are the key management personnel of the trust. Trustees are also senior management although they receive no pay or other remuneration in respect of their role as trustees. Where staff trustees are in place, they receive remuneration for their role as staff and their pay is determined in the same way as applicable to all other staff.

The pay of the Head Teacher is set annually by the Full Governing Body (FGB), having regards to performance against objectives set the previous year. Pay of other executive management members is also set by the Full Governing Body, and FGP Committee and any policy recommendations made by them to the FGB.

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

The St Mary Magdalene Academy is a sponsor of The Courtyard, since the School's founding, have, to date, donated £250,000 to assist the School in achieving its objectives.

# **ST MARY MAGDALENE ACADEMY: THE COURTYARD**

## **TRUSTEES' REPORT**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **Objectives and activities**

#### **Objects and aims**

The principal object and activity of the Charitable Company is the operation of St Mary Magdalene Academy: The Courtyard in providing education for pupils of all abilities between the ages of 14 and 18, with an emphasis on a Special Educational Needs.

Our mission is to create an inspirational community of learning that will make a positive contribution to community cohesion in Islington.

#### **Objectives, Strategies and Activities**

Sponsored by the St Mary Magdalene Academy, Christian values are at the heart of Academy life, alongside a commitment to the special needs of our students. As well as setting robust educational standards, we strive to develop the moral and spiritual values and skills of all our young people so they can become active and considerate citizens.

#### **Strategic Report**

The Governors have set out their strategic direction for the Free School over the coming years, setting ambitious and aspirational targets. The Courtyard's main strategy is encompassed in its mission statement: to nurture young people to achieve to the highest standard of their ability and discover their vocation in a global society.

#### **Objectives**

The benchmarks for achievement set by Academy Governors for the objectives of the Academy during the year ended 31 August 2018 are as follows:

The Courtyard is a Special Educational Needs school for students with Autism Spectrum Disorder (ASD) and/or Speech, Language and Communication Needs. In partnership with St Mary Magdalene Academy, The Courtyard provides an alternative provision for students at Key Stages 4 and 5, welcoming those who may be struggling in mainstream education.

The Courtyard recognises the difficulties which can be experienced by young people with ASD/Asperger's when they are asked to participate in society. Our curriculum is tailored to meet the individual needs of students with ASD/Asperger's to encourage them to develop the strategies and coping mechanisms to support them in this area, hopefully allowing the students to become comfortable and confident members of the school community and the local community. Our over-riding aim is for every student of the Courtyard to move forwards into a form of paid employment, thereby becoming part of a workplace community.

At its simplest, the educational philosophy behind The Courtyard is to meet the needs of each and every student in the most appropriate way, preparing and equipping them with the skills they need to be able to live and work independently.

The Governors are committed to equal opportunities and believe that this is an integral part of good practice within the workplace. The Free School ensures best practice in establishing equal opportunities in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

#### **Vision:**

To offer an outstanding educational and social provision that will equip our students with the skills and experiences needed to discover and live out their potential.

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **Aims:**

This was the Courtyard's fourth year of operation. The Governors have set out their strategic direction for the Courtyard over the coming years, setting ambitious and aspirational targets. The Courtyard development plan is divided into four strategic areas which ensure the smooth and successful operation in delivering the school's vision. They are:

- Achievement
- Teaching
- Behaviour and Safety
- Leadership and Management

The benchmarks for achievement set by the Courtyard Governors for the objectives of the Courtyard during the year ended 31 August 2018 are set out as follows:

### **Achievements**

- To use previous data and baseline data to ensure all students are working on the correct level to make better than expected progress
- To introduce new BTEC courses which ensure progression and the development of necessary skills for all students.
- To ensure the effectiveness of assessment practices

### **Teaching**

- To improve the quality of writing in English and across the curriculum
- To ensure the quality of teaching continues to be high
- To ensure the quality of marking and assessment continues to be high and is effective.

### **Behaviour and safety**

- To ensure attendance is maintained at a high-level 95%.
- To develop positive home-school relationships
- To develop and implement a relevant and meaningful SMSC curriculum.

### **Leadership and management**

- To ensure a progressive and challenging curriculum for all students.
- To ensure the effective professional development of all staff to meet the needs of the students.
- To ensure a successful transition to FE/HE.

### **Public Benefit**

In setting our objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit. A review of the significant activities undertaken by the charity has taken place during the relevant financial year in furthering its charitable purposes for the public benefit, this has been detailed and agreed within the Academy development plan.

### **Achievement and performance**

To set a base mark and best support staff in their teaching and learning practise, the Courtyard implements lesson observations and undertake a comparison of results from the beginning of the academic year to the end monitoring progress. The specific achievements and performance under the established new frameworks within the Courtyard development plan this year are as follows:

- To set students correctly according to ability and working relationships
- To develop schemes of work which meet the needs of the students
- To ensure the effectiveness of assessment practices

# **ST MARY MAGDALENE ACADEMY: THE COURTYARD**

## **TRUSTEES' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2018**

---

The Courtyard School had been inspected by Ofsted in May 2017. The inspection judged the Courtyard to be GOOD and found the school to have the following strengths:

- The headteacher provides very effective leadership and promotes a culture of inclusion for all pupils, as well as collaborative teamwork. Staff, including those new to the school, feel well supported.
- Teachers and teaching assistants are focused on meeting the needs of all pupils, academically and personally. As a result, pupils achieve well, particularly in reading and mathematics.
- The new appointment of the deputy headteacher for teaching and learning has secured a robust assessment system. Assessments are used well to set challenging targets.
- Pupils behave well both inside the classroom and beyond. Individual and group sessions enable pupils to reflect on their learning and behaviour. They grow in confidence and maturity, flourishing into thoughtful and respectful individuals.
- Post-16 students continue to achieve well. They learn with younger pupils as well as having discrete lessons on their own. All age groups benefit from specialist teaching at a mainstream academy, broadening their experiences, interests and subject choices.

#### **Results and Achievements:**

##### **English**

Of the school cohort of 36 pupils, all studied English last year, working towards achieving either GCSE English Literature and/or Language or Functional Skills Levels 1 & 2 or Entry Level English.

69% of pupils are making expected progress, with 63% exceeding expected progress in English. Of the 31% of pupils not currently making expected progress, the personal learning journey has been tracked and interventions have been put in place for the forthcoming year to ensure that they make progress in their English studies moving forward. Individual case studies have been written, which documents health and pastoral issues which are the main cause of lack of progress.

##### **Maths**

Of the school cohort of 36 pupils, 33 studied Maths last year, working towards achieving either GCSE or Functional Skills Levels 1 & 2 or Entry Level Maths.

64% of pupils are making expected progress, with 56% exceeding expected progress in Maths. Of the 36% of pupils not currently making expected progress (12 pupils), the personal learning journey has been tracked and interventions have been put in place for the forthcoming year to ensure that they make progress in their Maths studies moving forward. Individual case studies have been written, which documents health and pastoral issues which are the main cause of lack of progress.

##### **PSD & Work Skills**

All KS4 pupils are now working towards Level 2 ASDAN PSD curriculum. Where pupils have achieved the PSD qualification, they progress onto the BTEC Level 2 Workskills programme. Much time has been spent ensuring that the curriculum still maintains its relevance and importance for our students, whilst at the same time ensuring that our students are completing key stages with credible qualifications.

As part of the monitoring and evaluation programme, the IEPs of each student are reviewed termly and all students have either achieved the targets set or are on track to achieve the targets by the end of the academic year. This is an indication of good or better progress.



# **ST MARY MAGDALENE ACADEMY: THE COURTYARD**

## **TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2018***

---

### **Developing reputation for excellent personalised provision:**

- Individual personalised timetable created for each student
- Termly monitoring of progress against IEP, focusing on social, academic, independence and inclusion targets
- Initial baseline assessments to ensure correct progressive curriculum is in place
- Collaboration of pupils, parents and school in the creation/revision of pupil passports
- Consistent formative and summative assessment
- Significant involvement of external services (CAMHS, Ed Pysch, SaLT, OT, Counselling) to ensure that our students are physically, emotionally and socially able to achieve Supportive relationship with SMMA to ensure our students are able to access the most appropriate T&L

### **Raise Pupil Aspirations**

- Development of specialist SEN teachers - All staff working with our students have continued to receive specific ASD/SEN training. All staff have attended Level 2 ASD training. Staff continue to attend specified INSET sessions delivered by the external services providers, for example, Art Therapy and Autism and complex behaviour courses.
- The Courtyard has embedded and continues to embed its vision of meeting the needs of each and every student in the most appropriate way, preparing and equipping them with the skills they need to be able to live and work independently.
- The Courtyard staff have encouraged the celebration of the successes of current and former pupils.

### **Extra-curricular activities:**

The Courtyard hosted an Activities Week in the last week of the Summer term. The pupils chose and voted for their favourite activities and this information was communicated to the Senior Leadership Team via the School Council. The week was a huge success with the pupils exploring the city of London, the Islington Canal and the Royal Parks. The pupils also participated in various physical activities including Go Ape and water sports at the Islington Boat Club. The whole school body also produced a body of artwork which was exhibited at the Old Diorama Arts Centre for three weeks during the Summer break.

The pupils also suggested, organised and participated in a number of fundraising events for an international charity, WE. The events included an open afternoon, a celebration assembly and various cake sales.

### **Teaching and Learning**

- To improve the quality of writing in English and across the curriculum
- To ensure the quality of teaching continues to be high
- To ensure the quality of marking and assessment continues to be high and is effective.

The expectations of all Courtyard pupils is that they are competent in all areas of English beyond leaving the school and transitioning to a new further education/higher education placement. The results of pupils in the previous year has shown that the vast majority (84%) are making better than expected progress in reading and speaking and listening.

Observations of teaching and book monitoring has continued at regular intervals throughout the academic year. An extensive amount of the staff CPD programme has been directed towards developing staff to deliver the schemes of work in the style which has been determined to be the best to support the learning of the students. 81% of lessons graded good or outstanding. Qualified Teachers delivered 100% good or outstanding lessons. This is an improvement from 75% last year. The target is for 100% of lessons to be graded and good or better. The school delivered an increase in percentage of outstanding lessons from 37.5%.

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2018

---

Marking and pupil feedback has featured heavily on the CPD and Monitoring and Evaluation programme for the year. The focus was to ensure that the marking provided relevant feedback on the successes of the pupils and the area for improvement which the pupils needed to deliver in order to make progress. The pupils were all able to track their progress on individual flightpaths and were aware of what they needed to do in order to continue making good progress. Our aim this academic year is for the expectations for marking and appropriate and supportive feedback to continue to be high and to be a really useful and positive form of communication between teachers and pupils.

Assessment and the tracking of progress has been a hugely important aspect of the teaching and learning programme this year. The information provided by accurate and regular assessment ensures that pupils are making good progress, that they are sitting and achieving qualifications at the appropriate time and, if progress is not being made, supportive interventions will be implemented to address any barriers to learning. This academic year this proven framework was used across all curriculum areas, including the newly introduced BTEC subjects. The Cognitive Abilities Test was also introduced which provided detailed information on the pupils' ability to reason across four distinct batteries: verbal, non-verbal, mathematical and spatial. This allowed teachers to address patterns and adapt teaching methods to suit individual (or group, where a similar learning profile is shared) needs, ensuring feedback is appropriate and targets are achievable.

#### Behaviour and safety

- To ensure attendance is maintained at a high-level 95%.
- To develop positive home-school relationships
- To develop and implement a relevant and meaningful SMSC curriculum.

#### Attendance

Attendance has decreased to 92% from 93% the previous year. Previously mentioned health and pastoral concerns impacted on this decreased attendance figure.

	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	All Years
<b>Attendance</b>	62.2%	81.2%	92.8%	94.7%	94.3%	92.6%	93%

The Courtyard staff have worked hard to ensure that our students are happy and want to come to school and we believe that this is reflected in our good figure of 92% attendance. This figure is in line with the national average for Special Schools of 92%. This figure demonstrates a positive relationship between the students and their school.

#### Home-school relationships

In supporting our students and their families, all students have a key worker of whom they meet with for at least 15 minutes a week. The role of the key worker is to ensure that the student is best prepared for learning and to be the first point of contact with parents. We have found this relationship to be extremely beneficial for all parties and as having a positive impact on the students' attitude towards learning.

#### SMSC curriculum

The Deputy Head: Behaviour and Safety has worked on creating an informative, thought-provoking and empowering SMSC & British Values curriculum. Through Key Worker sessions, the pupils are directed to learn about, discuss and debate topics which encourage development of their social, moral, spiritual and cultural understanding of the world. This academic year SMSC and British Values are incorporated fully into all curriculum areas and information was communicated around the school.

#### Leadership and management

- To ensure a progressive and challenging curriculum for all students.
- To ensure the effective professional development of all staff to meet the needs of the students.
- To ensure a successful transition to FE/HE.

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

As the pupils continue to exceed expected progress, so the curriculum offer needs to continue to change also to ensure progression and widening of skills and qualifications. New BTEC subjects have been introduced to the Courtyard curriculum offer this year, BTEC Level 2 Work Skills and BTEC Hospitality. This now means that the school is offering GCSE/Functional Skills English and Maths, four Level 2 BTEC courses, as well as IT qualifications, PSD courses and a range of interesting and meaningful AQA Unit Award Scheme programmes.

Every effort has been made to build a team of staff which meets the complex needs of curriculum and pastoral support needed to ensure the students make progress in all developmental areas. The Courtyard now has a strong and stable team, working at a ratio of 1:3 to ensure that we can meet the needs of all pupils. There are skilled practitioners delivering teaching and learning in all curriculum areas alongside trained teaching assistants able to offer directed pastoral support. The CPD programme for the staff is focused on best aiding the teaching and learning of students with ASD and understanding any additional conditions that our pupils are managing.

The Courtyard has a full cohort and is in constant liaison with all external services to ensure that we are support all pupils to achieve their potential. All Courtyard pupils have additional complexities which need to be diagnosed and supported in order to remove or lower any barriers to learning, academically, socially and emotionally. The school also works with these external services to ensure that the placements of new pupils at the Courtyard are appropriate and that the school will meet the needs of the new pupil whilst not impacting on the progress of current pupils.

### Key Performance Indicators

The following are Courtyard Key Financial Performance Indicators that the Courtyard monitors its financial performance (costs quoted exclude the effect of the FRS102 pension adjustment and income excludes capital income):

- Solvency: (Current Assets: Current Liabilities): 4.5:1
- Cost Control Measures: (Staff Costs as % of Total Income): 69%
- Non-Staff Costs as % of Total Income: 24%

### Going Concern

After consideration of the school's financial position, its financial plans, (including projected student numbers), the demand for places and the broader environment, the Board of Directors have a reasonable expectation that the School has and will continue to have adequate resources to enable it to be a sustainable going concern in 2018/19 and for the foreseeable future. For this reason the Academy continues to adopt the going concern principle in preparing its financial statements.

### Financial Review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with a school grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant -GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of the schools facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2018

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds"). Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme deficit must also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August;

Fund	Category	2018 £'000	2017 £'000
GAG	Restricted General Funds	124	35
Other DfE/ESFA Grants	Restricted General Funds	-	24
Other government grants	Restricted General Funds	-	12
Capital Sponsorship	Restricted General Funds	<u>42</u>	<u>42</u>
<b>Sub-total General Restricted Funds</b>		<b>166</b>	<b>113</b>
Other Income	Unrestricted General Fund	<u>32</u>	<u>22</u>
	<b>Sub-Total Spendable General Funds</b>	<b>198</b>	<b>135</b>
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	1,696	1,731
Capital Funds for future spending	Restricted Fixed Asset Fund	-	-
Share of LGPS Deficit	Restricted Pension Reserve	<u>(130)</u>	<u>(141)</u>
	<b>Total</b>	<b><u>1,764</u></b>	<b><u>1,725</u></b>

#### Reserves Policy

The Academy Governors have reviewed the reserve levels of the Academy. It is the Trust's objective to maintain a structure of prudent financial management and a requirement to maintain good financial health. To this end the Academy aims to carry forward a cumulative balance of the Academy's General Fund Income, to safeguard the Academy from unforeseen and unexpected changes in policy and economic downturns, as well as to protect its

The level of the reserve funds held at year end were a general restricted fund balance of £166k (2017 £113k). Of this, £42k (2017 £42k) was for the sponsored capital project, with an additional £32k (2017 £22k) in general unrestricted funds. Capital Fund reserves remain for ring-fenced funding.

#### Investment policy and powers

The Courtyard manages its daily cash flows with Lloyds Bank where no investments are held beyond cash deposits. Speculative investments are not permitted. The Academy continually monitors its position in light of the financial and economic markets generally.

#### Principal risks and uncertainties

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas of the Academy (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of HR and Finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk. The Academy has an effective system of internal financial controls and this is explained in more detail in the following governance statement.

# **ST MARY MAGDALENE ACADEMY: THE COURTYARD**

## **TRUSTEES' REPORT**

***FOR THE YEAR ENDED 31 AUGUST 2018***

---

The principal financial risk faced by the company is that on-going pressure on funding results in a deficit. The budgeting and reporting process, including regular scrutiny by the Governors of actual financial performance, mitigates the risk.

As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), Governors consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuarial advice.

### **Our fundraising practices**

The trust and individual academies within it organise fundraising events and appeals and co-ordinate the activities of our supporters both in the academies and in the wider community on behalf of the trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The trust complies with the Fundraising Regulator's Code of Fundraising Practice

Where any fundraising is undertaken all fundraising is undertaken by the trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

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

Most of the company's income is obtained from the DfE (via the Education and Skills Funding Agency) in the form of recurrent grants, the use of which is restricted for particular purposes. The grants received from the DfE during the year ended 31 August 2018 and its associated expenditure are shown as restricted funds in the statement of financial activities.

### **Plans for future years**

The principal task facing the Courtyard is to maintain and continually improve its educational standards and its educational facilities to the highest standards possible:

Over the next twelve months the Courtyard plans to build on the already exceptional standards and facilities, to:

- Pursue expansion and development opportunities for the Courtyard maintain full occupancy of its new permanent building and facilities
- retain and recruit the best educational staff to the Courtyard
- support its staff in continued professional development
- continually develop its community cohesion and partnership opportunities for the public benefit
- develop, enhance and establish the new Courtyard facilities and its ethos in partnership with its Academy sponsors

### **Funds held as Custodian Trustee on behalf of others**

Neither St Mary Magdalene Academy: the Courtyard, or the Board of Directors/Trustees is acting as Custodian Trustees for any third parties.

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **Auditor**

Insofar as the Governors are aware:

- there is no relevant audit information of which the Charitable Company'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.

The Governors' report, incorporating a strategic report, has been approved by order of the Board of Governors, as the company Directors, on 4 December 2018 and signed on the Board's behalf by:

  
.....  
The Reverend S Grigg  
Chair of Trustees

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### Scope of responsibility

As Trustees (Directors) and Governors we acknowledge we have overall responsibility for ensuring that St Mary Magdalene Academy: The Courtyard has an effective and appropriate system of control: financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has, through the Board of Governors delegated the day-to-day responsibility to Ms Deborah Shepherd, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Mary Magdalene Academy: The Courtyard and the Secretary of State for Education. She 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 6 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of possible
The Reverend S Grigg (Chair)	6	6
D. Higgins	6	6
J. Honigmann	5	6
P East	3	3
SJ Miller-Jones	5	6
H Scanlon	4	5
J Gallagher	1	1
F Williams	2	2
M Wroe	1	3
L. Norman	6	6
D Shepherd (Head Teacher/Accounting Officer)	6	6
A Colgan (resigned 13/12/2017)	2	2
A Kay (appointed 25/11/2016)	5	6

Changes that had taken place to the School's Full Governing Body Membership from the previous year were:

- A Colgan – (Resigned on 13/12/2017)
- SJ Miller-Jones (appointed as Co-Opted Governor on 13/12/2017)
- H Scanlon (appointed as Co-Opted Governor on 23/01/2018)
- P East (appointed as Co-Opted Governor on 20/03/2018)
- M Wroe (appointed as Co-Opted Governor on 01/04/2018)
- J Gallagher (Appointed as Co-Opted Governor on 03/07/2018)

### Finance and General Purpose Committee:

The Finance and General Purpose Committee is a sub-committee of the main Board of Governors and this committee had been established during the year following the school separation from the Education Partnership.

The purpose of the FGP Committee is to scrutinise and recommend the annual budget, review monthly management accounts, approve policies relevant to the committee and to approve financial and staffing structure decisions, as presented. This committee receives reports from the Head Teacher/Accounting Officer and the Director of Finance and Corporate Services and Facilities Manager, as appropriate, who act and to provide services on behalf of the school. The full Governing Body of The Courtyard is advised of those recommendations made by the FGP committee and approves for themselves the annual budget accounts and policies adopted.

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

Attendance during the year at meetings of the Finance and General Purpose (FGP) Committee was as follows

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of possible</b>
D Shepherd (Head Teacher/Accounting Officer)	2	2
Reverend S Grigg	2	2
D Higgins	2	2
SJ Miller-Jones	1	2
H Scanlon (Chair)	1	2

### **Review of Value for Money**

I accept that as Accounting Officer of The St Mary Magdalene Academy: The Courtyard I am responsible and accountable for ensuring that the Academy Trust delivers good value in the use of public resources. I am aware of the guide to Academy value for money statements published by the Education and Skills Funding Agency (ESFA) and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers resources received.

I set out below how I have ensured that the Academy Trust's use of resources has provided good value for money during the academic year.

#### **The Academy Trust is committed to:-**

##### **1. Raising student attainment.**

Internal data shows that students make excellent progress in alternative curriculum models both academically and personally.

The Courtyard has developed having fully embedded tracking systems for individual students that track levels of progress from through their key stages of development.

The Courtyard tracks attendance and behaviour of all students and attendance which is significantly above the national average for students with SEN.

#### **Targeted Improvement:**

The Courtyard has targeted resources those recognised as either having received, or are eligible for Free School Meals, in addition to those who are recognised as not able to access the required standard to pass GCSE's where an alternative curriculum has been provided. Students have also had support targeted to their personal skills and special educations in order to raise attainment in all areas.

##### **2. Robust governance and oversight of Academy Trust finances**

During the year The Courtyard benefited from the provision of a suitably qualified Internal Auditor. The Internal Auditor reviews key financial policies, systems and procedures, presenting reports on compliance directly to the Board of Governors.

The Boards Finance and General Purpose Committee receives termly Income and Expenditure (Budget) monitoring reports, along with reports detailing compliance with the Academy Finance policy Document and its Scheme of Delegation.

The full Governing Body approves the budget each year and is mindful of the need to balance expenditure with income it receives to ensure the School remains a 'going concern'. The Governing Body also receives and approves the Annual Accounts and the External Auditors Management Report.

##### **3. Ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources**

The Courtyard regularly benchmarks financial performance against other similar size schools to demonstrate that the Trust provides good value for money.

---



# **ST MARY MAGDALENE ACADEMY: THE COURTYARD**

## **GOVERNANCE STATEMENT**

***FOR THE YEAR ENDED 31 AUGUST 2018***

---

Tender exercises are regularly undertaken to ensure that higher value purchases are assessed against the marketplace. Where possible The Courtyard revises its contracts to ensure that any long term contracts (3 to 5 years) remain competitive. The Courtyard, where possible, procures and tests its purchasing of higher value items against the Crescent Procurement Consortium (CPC) Framework of suppliers.

#### **4. Maximising income generation**

The Courtyard explores every opportunity to generate income through ensuring that we are maximising student numbers and that the school is full. Where possible The Courtyard maximises its investment of reserve fund balances to generate other interest receivable income to support the interests of the Courtyard's Activities, most notably to support those parents who have financial difficulties and ensuring every child at the Courtyard has equal opportunities to partake in all of the Courtyard activities.

#### **5. Reviewing controls and managing risks.**

Monthly budget monitoring reports are continually reviewed and monitored by the Director of Finance and Corporate Services and Head Teacher where any necessary remedial action is taken as appropriate to address any significant variances that may have an impact on the budget out-turn.

The Courtyard manages its reserve fund balances with The Lloyds Bank for security of its Cash Asset Fund. The School ensures that all surplus cash balances are invested flexibly to maximise any interest earning potential, but also to gain flexible access to its funds in times of need.

#### **6. Reviewing operation to maximise use of resources.**

The Courtyard Leadership Group review the Courtyard budget annually and make and make adjustments based on the effectiveness of strategies introduced in previous years, in addition to the curriculum offer and any new strategies identified in the Courtyard Development Plan.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of School policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Mary Magdalene Academy: The Courtyard for the year ended 31st August 2018 and up to the date of approval of the Annual Report and Accounts.

#### **Capacity to handle risk**

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

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

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

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

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

The Board of Governors has considered the need for a specific internal audit function and has decided to re-appoint an internal auditor. Governors have appointed Mr R Ashdown, as a Certified Chartered Accountant to act as the Courtyards independent Academy's Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a regular basis, the Internal Auditor reports to the Board of Governors on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Governors.

During the year The Internal Auditor provided his professional services to the Academy and reported thereon directly to the Audit Committee for the planned audit works required on behalf of the governing body. It was noted by Governors, from these reports throughout the year, that there were no material control weaknesses identified and Governors were satisfied that sufficient control measures were in place and continued to be improved.

### Review of effectiveness

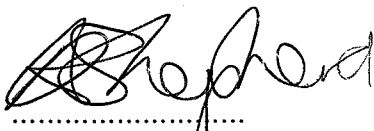
As Accounting Officer the Executive Director has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Internal Auditor
- the work of the external auditor
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Governors on 4 December 2018 and signed on its behalf by:

  
.....  
The Reverend S Grigg  
Chair of Trustees

  
.....  
Ms D Shepherd  
Head Teacher / Accounting Officer

**ST MARY MAGDALENE ACADEMY: THE COURTYARD**  
**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

---

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

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

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



D Shepherd  
**Accounting Officer**

.....4/12/2018

# **ST MARY MAGDALENE ACADEMY: THE COURTYARD**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

The trustees (who are also the directors of St Mary Magdalene Academy: The Courtyard for the purposes of company law) are responsible for preparing the Trustees' report and the Financial Statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these Financial Statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 4 December 2018 and signed on its behalf by:

  
The Reverend G. Grigg  
Chair of Trustees

# **ST MARY MAGDALENE ACADEMY: THE COURTYARD**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY MAGDALENE ACADEMY: THE COURTYARD**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **Opinion**

We have audited the Financial Statements of St Mary Magdalene Academy: The Courtyard for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the 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), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the 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 Academy Trust 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 Trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is not appropriate; or
- the Trustees have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Academy Trust'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 other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Trustees are responsible for the other information. 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.

# **ST MARY MAGDALENE ACADEMY: THE COURTYARD**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY MAGDALENE ACADEMY: THE COURTYARD (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **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 Trustees' report including the incorporated strategic report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report, including the incorporated 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

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

In preparing the Financial Statements, the Trustees are responsible for assessing the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# ST MARY MAGDALENE ACADEMY: THE COURTYARD


## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARY MAGDALENE ACADEMY: THE COURTYARD (CONTINUED)

**FOR THE YEAR ENDED 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.



**David John Walsh FCCA (Senior Statutory Auditor)**

**For and on behalf of Baxter & Co**

**Statutory Auditor**

**Chartered Certified Accountants**

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 13 December 2018

# **ST MARY MAGDALENE ACADEMY: THE COURTYARD**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MARY MAGDALENE ACADEMY: THE COURTYARD AND THE EDUCATION & SKILLS FUNDING AGENCY**

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

In accordance with the terms of our engagement letter dated 9 May 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Mary Magdalene Academy: The Courtyard during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of St Mary Magdalene Academy: The Courtyard's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of St Mary Magdalene Academy: The Courtyard's funding agreement with the Secretary of State for Education dated 1 September 2013 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 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 ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the trust in order to comply with its obligations under 2.4.9 of the Academies Financial Handbook 2017, issued by the ESFA.



# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST MARY MAGDALENE ACADEMY: THE COURTYARD AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2018*

---

### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.



**Baxter & Co**  
**Independent Reporting Accountants**  
**Chartered Certified Accountants**  
Lynwood House  
Crofton Road  
Orpington  
Kent  
BR6 8QE

Dated: 13 December 2018

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000	Total 2017 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	9	-	17	26	888
Charitable activities:						
- Funding for educational operations	4	1	845	-	846	814
<b>Total</b>		<u>10</u>	<u>845</u>	<u>17</u>	<u>872</u>	<u>1,702</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	7	-	835	54	889	859
<b>Total</b>	6	<u>-</u>	<u>835</u>	<u>54</u>	<u>889</u>	<u>859</u>
<b>Net income/(expenditure)</b>		10	10	(37)	(17)	843
Transfers between funds	15	-	(2)	2	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	17	-	56	-	56	52
<b>Net movement in funds</b>		10	64	(35)	39	895
<b>Reconciliation of funds</b>						
Total funds brought forward		22	(28)	1,731	1,725	830
Total funds carried forward		<u>32</u>	<u>36</u>	<u>1,696</u>	<u>1,764</u>	<u>1,725</u>

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

### SUPPLEMENTARY NOTE: COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	2	-	886	888
Charitable activities:					
- Funding for educational operations	4	1	813	-	814
<b>Total</b>		<u>3</u>	<u>813</u>	<u>886</u>	<u>1,702</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	7	-	802	57	859
<b>Total</b>	6	<u>-</u>	<u>802</u>	<u>57</u>	<u>859</u>
<b>Net income</b>		3	11	829	843
Transfers between funds	15	-	(22)	22	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	17	-	52	-	52
<b>Net movement in funds</b>		3	41	851	895
<b>Reconciliation of funds</b>					
Total funds brought forward		19	(69)	880	830
Total funds carried forward		<u>22</u>	<u>(28)</u>	<u>1,731</u>	<u>1,725</u>

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	11		1,696		1,731
<b>Current assets</b>					
Debtors	12	12		19	
Cash at bank and in hand		242		195	
		254		214	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(56)		(79)	
<b>Net current assets</b>			198		135
<b>Net assets excluding pension liability</b>			1,894		1,866
Defined benefit pension scheme liability	17		(130)		(141)
<b>Total net assets</b>			1,764		1,725
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	15				
- Fixed asset funds			1,696		1,731
- Restricted income funds			166		113
- Pension reserve			(130)		(141)
<b>Total restricted funds</b>			1,732		1,703
<b>Unrestricted income funds</b>	15		32		22
<b>Total funds</b>			1,764		1,725

The Financial Statements on pages 24 to 45 were approved by the Trustees and authorised for issue on 4 December 2018 and are signed on their behalf by:



.....  
The Reverend S Grigg  
Chair of Trustees

Company Number 08619729

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

---

	Notes	2018 £'000	£'000	2017 £'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	18		49		63
<b>Cash flows from investing activities</b>					
Capital grants from DfE Group		17		886	
Purchase of tangible fixed assets		(19)		(906)	
<b>Net cash used in investing activities</b>			(2)		(20)
<b>Net increase in cash and cash equivalents in the reporting period</b>			47		43
Cash and cash equivalents at beginning of the year			195		152
<b>Cash and cash equivalents at end of the year</b>			242		195

---

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 1 Accounting policies

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

##### 1.1 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 Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Mary Magdalene Academy: The Courtyard meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

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

##### 1.3 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.

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

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

###### Sponsorship income

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

###### Donations

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.

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2018**

---

### **1 Accounting policies**

#### 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.

#### Donated goods, facilities and services

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

#### Donated fixed assets

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

### **1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

#### Expenditure on raising funds

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

#### 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.

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 1 Accounting policies

##### 1.5 Tangible fixed assets and depreciation

Assets costing £3,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

The academy has considered the ESFA Academies Accounts Direction 2016 to 2017 having imposed a capitalisation limit to take account of any material group purchase, where the group purchase is not deemed as a consumable purchase, is Text Books. The capitalisation limit set for any group purchase of this nature is capitalised with a value greater than £25,000; (any item that is £3,000 or more within this value will be capitalised separately).

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

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

Leasehold Land and Buildings	2% straight line
Computer equipment	33.33% straight line
Fixtures, fittings & equipment	25% straight line

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.

##### 1.6 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.

##### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

##### 1.8 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.

---



# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 1 Accounting policies

##### 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.

#### 1.9 Taxation

The Academy Trust 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.10 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 and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy 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.

#### 1.11 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 Trustees.

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

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

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 2 Critical accounting estimates and areas of judgement

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

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

#### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	17	17	886
Other donations	9	-	9	2
	<u>9</u>	<u>17</u>	<u>26</u>	<u>888</u>

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	378	378	374
Other DfE group grants	-	13	13	18
	-	391	391	392
<b>Other government grants</b>				
Local authority grants	-	454	454	421
<b>Other funding</b>				
Catering income	1	-	1	1
<b>Total funding</b>	<b>1</b>	<b>845</b>	<b>846</b>	<b>814</b>

### 6 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2018 £'000	Total 2017 £'000
		Premises £'000	Other £'000		
<b>Academy's educational operations</b>					
- Direct costs	557	43	84	684	675
- Allocated support costs	71	41	93	205	184
	628	84	177	889	859
<b>Net income/(expenditure) for the year includes:</b>				<b>2018</b>	<b>2017</b>
				<b>£'000</b>	<b>£'000</b>
<b>Fees payable to auditor for:</b>					
- Audit				3	3
- Other services				3	3
Depreciation of tangible fixed assets				54	52
Net interest on defined benefit pension liability				3	3

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

<b>7 Charitable activities</b>		
	<b>2018</b>	<b>2017</b>
All from restricted funds:	£'000	£'000
<b>Direct costs</b>		
Educational operations	684	675
<b>Support costs</b>		
Educational operations	205	184
	<u>889</u>	<u>859</u>
<b>Analysis of costs</b>	<b>2018</b>	<b>2017</b>
	£'000	£'000
<b>Direct costs</b>		
Teaching and educational support staff costs	557	544
Staff development	4	2
Depreciation	43	42
Technology costs	1	3
Educational supplies and services	64	74
Examination fees	5	4
Educational consultancy	5	2
Other direct costs	5	4
	<u>684</u>	<u>675</u>
<b>Support costs</b>		
Support staff costs	29	36
Defined benefit pension scheme - staff costs (FRS102 adjustment)	42	39
Depreciation	11	10
Technology costs	3	1
Maintenance of premises and equipment	16	7
Cleaning	-	1
Energy costs	7	1
Rent, rates and other occupancy costs	4	5
Insurance	1	1
Security and transport	2	-
Catering	9	14
Defined benefit pension scheme - finance costs (FRS102 adjustment)	3	3
Other support costs	71	63
Governance costs	7	3
	<u>205</u>	<u>184</u>

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 8 Staff

#### Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	455	416
Social security costs	46	42
Pension costs	62	58
Defined benefit pension scheme - staff costs (FRS102 adjustment)	42	39
	<u>605</u>	<u>555</u>
Staff costs	605	555
Agency staff costs	23	59
Staff restructuring costs	-	5
	<u>-</u>	<u>5</u>
Total staff expenditure	<u>628</u>	<u>619</u>

Staff restructuring costs comprise:

Redundancy payments	<u>-</u>	<u>5</u>
---------------------	----------	----------

#### Staff numbers

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

	2018 Number	2017 Number
Teachers	5	5
Administration and support	9	8
Management	1	1
	<u>15</u>	<u>14</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2018 Number	2017 Number
Teachers	5	5
Administration and support	9	8
Management	1	1
	<u>15</u>	<u>14</u>

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 8 Staff

#### Higher paid staff

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

	2018 Number	2017 Number
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
	<u>1</u>	<u>-</u>

#### Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £94,568.

The Director of Finance and Corporate Services (I D Ship) is paid by St Mary Magdalene Academy.

### 9 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Executive Principal and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Principal and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

#### L Norman (Staff Governor and Trustee):

- Remuneration £30,000 - £35,000 (2017: £30,000 - £35,000)
- Employer's pension contributions £0 - £5,000 (2017: £0 - £5,000)

#### D Shepherd (Head Teacher and Trustee):

- Remuneration £70,000 - £75,000 (2017: n/a - not appointed)
- Employer's pension contributions £10,000 - £15,000 (2017: n/a - not appointed)

During the year, expenses of £1,625 were reimbursed or paid directly to 1 trustee in respect of costs incurred in performing the duties of employment.

Other related party transactions involving the Trustees are set out within the related parties note.

### 10 Trustees and officers insurance

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Tangible fixed assets	Leasehold Land and Buildings £'000	Computer equipment £'000	Fixtures, fittings & equipment £'000	Total £'000
<b>Cost</b>				
At 1 September 2017	1,743	22	47	1,812
Additions	9	-	10	19
At 31 August 2018	<u>1,752</u>	<u>22</u>	<u>57</u>	<u>1,831</u>
<b>Depreciation</b>				
At 1 September 2017	35	15	31	81
Charge for the year	35	7	12	54
At 31 August 2018	<u>70</u>	<u>22</u>	<u>43</u>	<u>135</u>
<b>Net book value</b>				
At 31 August 2018	<u>1,682</u>	<u>-</u>	<u>14</u>	<u>1,696</u>
At 31 August 2017	<u>1,708</u>	<u>7</u>	<u>16</u>	<u>1,731</u>

Leasehold Land is included above at its net book value of £775k (2017: £791k).

12 Debtors	2018 £'000	2017 £'000
VAT recoverable	12	6
Prepayments and accrued income	-	13
	<u>12</u>	<u>19</u>
<b>13 Creditors: amounts falling due within one year</b>		
	2018 £'000	2017 £'000
Trade creditors	8	26
Other taxation and social security	12	10
Other creditors	9	8
Accruals and deferred income	27	35
	<u>56</u>	<u>79</u>

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

14 Deferred income	2018 £'000	2017 £'000
Deferred income is included within:		
Creditors due within one year	5	13
Deferred income at 1 September 2017	13	22
Released from previous years	(13)	(22)
Resources deferred in the year	5	13
<b>Deferred income at 31 August 2018</b>	<b>5</b>	<b>13</b>

Deferred income at 31 August 2018 represents Capital grant received in advance of £5k (2017: £5k), and playground donation in advance of £nil (2017: £8k).

15 Funds	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	35	378	(287)	(2)	124
Other DfE / ESFA grants	24	1	(25)	-	-
Pupil premium	-	12	(12)	-	-
Other government grants	12	454	(466)	-	-
Capital sponsorship	42	-	-	-	42
Pension reserve	(141)	-	(45)	56	(130)
	<u>(28)</u>	<u>845</u>	<u>(835)</u>	<u>54</u>	<u>36</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	1,578	17	(43)	-	1,552
Capital expenditure from GAG and other funds	16	-	(8)	2	10
Private sector capital sponsorship	137	-	(3)	-	134
	<u>1,731</u>	<u>17</u>	<u>(54)</u>	<u>2</u>	<u>1,696</u>
<b>Total restricted funds</b>	<u>1,703</u>	<u>862</u>	<u>(889)</u>	<u>56</u>	<u>1,732</u>
<b>Unrestricted funds</b>					
General funds	22	10	-	-	32
<b>Total funds</b>	<u>1,725</u>	<u>872</u>	<u>(889)</u>	<u>56</u>	<u>1,764</u>



# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 15 Funds

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

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

The unspent restricted grant balance of £124k (2017: £71k) represents fully committed funds which are earmarked for future spending.

The capital Sponsorship balance of £42k (2017: £42k) represents the funds earmarked for future capital projects.

The Restricted Fixed Asset Fund is set aside to fund future depreciation.

Unrestricted funds of £32k (2017: £22k) are available to be applied at the discretion of the Trustees.

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	4	374	(321)	(22)	35
Other DfE / ESFA grants	24	18	(18)	-	24
Other government grants	12	421	(421)	-	12
Capital sponsorship	42	-	-	-	42
Pension reserve	(151)	-	(42)	52	(141)
	<u>(69)</u>	<u>813</u>	<u>(802)</u>	<u>30</u>	<u>(28)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	732	886	(40)	-	1,578
Capital expenditure from GAG and other funds	5	-	(11)	22	16
Private sector capital sponsorship	143	-	(6)	-	137
	<u>880</u>	<u>886</u>	<u>(57)</u>	<u>22</u>	<u>1,731</u>
<b>Total restricted funds</b>	<u>811</u>	<u>1,699</u>	<u>(859)</u>	<u>52</u>	<u>1,703</u>
<b>Unrestricted funds</b>					
General funds	<u>19</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>22</u>
<b>Total funds</b>	<u>830</u>	<u>1,702</u>	<u>(859)</u>	<u>52</u>	<u>1,725</u>

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 15 Funds

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

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	4	752	(608)	(24)	124
Other DfE / ESFA grants	24	19	(43)	-	-
Pupil premium	-	12	(12)	-	-
Other government grants	12	875	(887)	-	-
Capital sponsorship	42	-	-	-	42
Pension reserve	(151)	-	(87)	108	(130)
	<u>(69)</u>	<u>1,658</u>	<u>(1,637)</u>	<u>84</u>	<u>36</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	732	903	(83)	-	1,552
Capital expenditure from GAG and other funds	5	-	(19)	24	10
Private sector capital sponsorship	143	-	(9)	-	134
	<u>880</u>	<u>903</u>	<u>(111)</u>	<u>24</u>	<u>1,696</u>
<b>Total restricted funds</b>	<u>811</u>	<u>2,561</u>	<u>(1,748)</u>	<u>108</u>	<u>1,732</u>
<b>Unrestricted funds</b>					
General funds	<u>19</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>32</u>
<b>Total funds</b>	<u>830</u>	<u>2,574</u>	<u>(1,748)</u>	<u>108</u>	<u>1,764</u>

### 16 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	1,696	1,696
Current assets	31	223	-	254
Creditors falling due within one year	1	(57)	-	(56)
Defined benefit pension liability	-	(130)	-	(130)
<b>Total net assets</b>	<u>32</u>	<u>36</u>	<u>1,696</u>	<u>1,764</u>

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 16 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	1,731	1,731
Current assets	22	192	-	214
Creditors falling due within one year	-	(79)	-	(79)
Defined benefit pension liability	-	(141)	-	(141)
<b>Total net assets</b>	<b>22</b>	<b>(28)</b>	<b>1,731</b>	<b>1,725</b>

### 17 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 Islington Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £9k (2017: £8k) were payable to the schemes at 31 August 2018 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

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

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

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 17 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £47k (2017: £41k).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 9% for employers and a range between 5.5% and 12.5% for employees.

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

<b>Total contributions made</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	15	17
Employees' contributions	10	10
	<hr/>	<hr/>
Total contributions	25	27
	<hr/>	<hr/>
<b>Principal actuarial assumptions</b>	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.7	3.7
Rate of increase for pensions in payment/inflation	2.3	2.2
Discount rate for scheme liabilities	2.9	2.5
Inflation assumption (CPI)	2.2	2.2
	<hr/>	<hr/>

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Pension and similar obligations

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

	2018 Years	2017 Years
Retiring today		
- Males	23.0	22.9
- Females	26.2	26.1
Retiring in 20 years		
- Males	25.2	25.1
- Females	28.5	28.4

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018 £'000	2017 £'000
Discount rate + 0.1%	424	396
1 year increase in life expectancy	445	415
Inflation + 0.1%	450	420
Pay growth + 0.1%	437	410

#### Defined benefit pension scheme net liability

Scheme assets	307	267
Scheme obligations	(437)	(408)
Net liability	(130)	(141)

#### The Academy Trust's share of the assets in the scheme

	2018 Fair value £'000	2017 Fair value £'000
Equities	173	152
Other Bonds	52	51
Cash/liquidity	2	1
Property	51	37
Other assets	29	26
Total market value of assets	307	267

The actual return on scheme assets was £16,000 (2017: £26,000).

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 17 Pension and similar obligations

Amount recognised in the Statement of Financial Activities	2018 £'000	2017 £'000
Current service cost	57	56
Interest income	(7)	(5)
Interest cost	10	8
	<u>        </u>	<u>        </u>
Total operating charge	60	59

#### Changes in the present value of defined benefit obligations

	2018 £'000
At 1 September 2017	408
Current service cost	56
Interest cost	10
Employee contributions	10
Actuarial gain	(47)
	<u>        </u>
At 31 August 2018	437

#### Changes in the fair value of the Academy Trust's share of scheme assets

	2018 £'000
At 1 September 2017	267
Interest income	6
Actuarial gain	9
Employer contributions	15
Employee contributions	10
	<u>        </u>
At 31 August 2018	307

# ST MARY MAGDALENE ACADEMY: THE COURTYARD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Reconciliation of net (expenditure)/income to net cash flow from operating activities	2018	2017
	£'000	£'000
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(17)	843
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(17)	(886)
Defined benefit pension costs less contributions payable	42	39
Defined benefit pension net finance cost	3	3
Depreciation of tangible fixed assets	54	52
Decrease in debtors	7	9
(Decrease)/increase in creditors	(23)	3
<b>Net cash provided by operating activities</b>	<b>49</b>	<b>63</b>

### 19 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The St Mary Magdalene Academy, a company incorporated in the UK (England and Wales), company number 05412502 ("SMMA") is a related party by virtue of the fact that the majority of the members of the company are also members of SMMA. During the period, £78k (2017: £35k) was reimbursed to SMMA in respect of costs incurred by SMMA on behalf of the Courtyard. At the balance sheet date £nil (2017: £12k) was owed to SMMA and was included in creditors: amounts due within one year.

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2017.

### 20 Members' liability

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

