

Company Registration Number: 08165736 (England and Wales)

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

Chair of Governors
The Diocese of Birmingham Educational Trust
The Birmingham Diocesan Board of Finance
The Archdeacon of Birmingham

Governors

Mrs S Butt, Chair of Governors
Ms J Doal, Governor
Mr S Fairbanks, Governor
Miss S Goodhead, Governor
Miss H Groom, Governor
Ms S Khatun, Staff Governor
Mr G Moss, Vice Chair of Governors¹
Mr J Pemberton, Governor
Mr D Ricketts, Head Teacher¹
Mrs K Sheckler, Governor
Miss D Gooden, Governor (resigned 22 September 2016)

¹ Finance/Audit Committee

Company registered number

08165736

Company name

St Clement's C of E Primary Academy, Nechells

Principal and registered office

Butlin Street
Nechells
Birmingham
B7 5NS

Company secretary

Mr L Davis

Senior management team

Mr D Ricketts, Head Teacher
Mr L Davis, Business Manager
Miss D Shryane, Deputy Head Teacher
Mrs Nizamis, Assistant Head Teacher

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Independent auditor

Crowe Clark Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Lloyds Bank Plc
22a Great Hampton Street
Birmingham
West Midlands
B18 6AH

Solicitors

Lee Bolton Monier Williams
1 The Sanctuary
London
SW1P 3JT

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's Report of St Clement's Church of England Academy, Nechells (the Academy) for the year ended 31 August 2017. The annual report serves the purposes of both a Governors' report, and a directors' report under company law.

St Clement's Church of England Academy Nechells, a Church of England Academy, provides education for pupils of different abilities between the ages of 3 and 11. Our pupils are drawn from families living within the local area in accordance with our published admission criteria. It has a pupil capacity of 22 and all but 2 places are currently filled. The school currently has 12 full time Nursery places. For the spring term 2018 we will also have 12 additional part time places for 'rising 3s'.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Governors are the directors of the Charitable Company for the purposes of company law. Members delegate responsibility to the Governors' for the charitable activities of St Clement's Church of England Academy, Nechells.

Details 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 £10, for the debts and liabilities contracted before they ceased to be a member.

GOVERNORS' INDEMNITIES

The Academy Trust purchases indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust; provided that any insurance shall not extend to any claim arising from any act or omission which the Governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Governors in their capacity as directors of the Academy Trust.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The Academy Trust's Governors documents require that the Trust shall have the following Governors (trustees):

- a) The Head Teacher
- b) 6 Diocesan trustees - 5 appointed by the Diocesan Board of Education
- c) 2 staff trustee
- d) Up to 2 parent trustees
- e) Up to 1 community trustee

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The Head Teacher is an ex-officio Trustee.

The Diocesan Board of Education may decide to co-opt additional members or the Academy trust may make this decision in conjunction with the Diocesan board of Education.

ORGANISATIONAL STRUCTURE

The Governor Body is responsible for all major decisions about the Academy. The Governor Body is responsible for setting all policies covering Personnel, Health & Safety, Curriculum and Financial aspects of the work of the Academy and monitors this.

The full Governor Body meets at least once a term. The work of the Governor Body is delegated to subcommittees that are formerly constituted with terms of reference, namely:

- Finance and Audit
- Staffing and Pay
- Premises, Health and Safety
- Curriculum
- Community engagement
- Disciplinary and Appeals Committee (constituted as required)*

The sub committees (with the exception of *) meet at least termly and the Chairs of these committees report back to the full Governor Body meetings.

The day to day management of the academy is delegated by the Governor Body to the Head Teacher who is supported by the Senior Leadership Team which comprises: Head Teacher and Deputy Head. The Head Teacher is the Accounting Officer.

The Governor Body receives regular reports from the Senior Leadership Team, including budget allocation and expenditure and other data updates including teaching and learning and achievement and standards. The levels of authorisation of budget spend are detailed in the 'Principal Delegation Statement' reviewed annually by the Governor Body.

The initial School Improvement Plan is drawn up by the Head Teacher working with the Senior Leadership Team. The draft plan is reviewed and approved by the full Governor Body. The Curriculum Committee reviews the progress of the plan as part of their regular work. Premises, Health and Safety reviews the environmental and building part of the School Development Plan.

As a primary Academy, a high percentage of the academy's expenditure relates to staffing. The Staffing Structure is determined by the Governor Body working with the Head Teacher. The School Improvement Plan and the staffing structure then inform the Academy budget.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy Trust works with many school networks both within the Birmingham LA (school-to-school networks, Aston-Nechells Consortium) and Birmingham Diocese to further the principal activities of the Academy.

The Academy Trust is sponsored by the Birmingham Diocesan Board of Education via its academy sponsor trust – Diocese of Birmingham Educational Trust. The sponsor supports the Academy Trust through the implementation of the Diocesan School Effectiveness Strategy and Framework for School Improvement. This includes amongst other things, the provision of support and challenge for school evaluation and planning for improvement thoroughly termly Challenge Advisor visits, assistance in strategic planning and reporting, the provision of enhanced responsible officer role, provision of a rigorous accountability framework through scrutiny

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

of school improvement (pupil led and financial) outcomes.

There are no other related parties which either control or significantly influence the decisions and operations of St Clement's CE Academy Nechells apart from its sponsor.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

The principal object and activity of the charitable company is the operation of St Clement's CE Academy Nechells to provide education and care for pupils of different abilities between the ages of 3 and 11.

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things:

- that the school has a curriculum satisfying the requirements of section 78 of EA 2002 (balanced and broadly based curriculum) including English, mathematics and science;
- that it provides education for pupils of different abilities;
- it also provides education for pupils who are wholly or mainly drawn from the area in which the school is situated.

The aims of the Academy during the period ended 31 August 2015 are summarised below.

The ethos and vision of St Clement's CE Academy Nechells is contained within our ethos statement:

St. Clement's has served the community in Nechells, as a church school in the name of Christ, since 1859.

All children who attend are offered a high quality education that values every person as an individual made in the image of God and seeks to develop them to fulfil their potential both academically and spiritually. We aim to produce citizens of a global community who uphold and respect shared values, which strongly align with the Christian values of the Anglican Communion.

All individuals, representing a diverse range of backgrounds and beliefs, are welcomed wholeheartedly into our school family and are nurtured and supported by our harmonious school community. Friendship is a blessing extended to each and every one, as we develop a multi-faith community where God's love, compassion and forgiveness inform our daily lives.

School Culture

At the St Clement's we aim to provide opportunities and experiences for everyone to learn and develop their social, creative and academic skills within a motivating and stimulating environment.

We aim to:

- foster an environment that is enriched spiritually, morally and socially through the Christian faith;
- value each child as an individual, regardless of faith, ability, gender or ethnicity;
- nurture children to be polite, respectful and considerate towards one another;
- offer a range of opportunities and experiences to develop their confidence, self-esteem and independence;
- encourage each child to fulfil their individual potential within all areas of the curriculum;
- promote knowledge and understanding through a secure, stimulating and enriched environment;
- create a broad educational experience that is enriched both morally and spiritually through partnership with staff, Governors, parents, the local community and the Birmingham Diocese;
- to enable each child to value themselves and have aspirations for the future;
- to recognise everyone's place in the wider community.

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GOVERNORS' REPORT (continued)
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OBJECTIVES, STRATEGIES AND ACTIVITIES

The Academy's Self Evaluation identified specific School Development focuses for this year including the following:

- Introduction of initiatives to ensure identified groups make accelerated progress
- Introduce and embed teaching strategies to increase level of Outstanding teaching across the School
- To develop further the teaching of writing throughout the Academy
- To develop new curriculum requirements alongside cementing our ethos as a Church school.

PUBLIC BENEFIT

The Academy is mindful of the guidance on Public Benefit issues by the Charity Commission, and the requirements to comply with current legalisation. The Academy will continue to provide education to children that:

- Is balanced and broadly based;
- Provides the spiritual, moral, cultural, mental and physical development of students at the Academy;
- Prepares students for the opportunities, responsibilities and experiences of later life;
- Promotes, sustains and increase individual and collective knowledge and understanding of study, skills and expertise

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GOVERNORS' REPORT (continued)
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STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

KEY PERFORMANCE INDICATORS

Statutory assessment results for academic year 2016/17:

National figures are in brackets where available.

EYFS

Attainment and Progress

	<u>Result</u>
Achieving good level of development	73% (71%)
Progress from end of Nursery GLD	33.6 (34.5)

Phonics Screening Checks

Year

	<u>Pass Rate</u>
Year 1	93% (National 81%)
Year 2 (Re-sits)	100% (National 91%)

Key Stage 1 SATs (End of Year 2)

Subject

	<u>Reaching Expected Standard</u>
Reading	83% (National: 74%) Greater Depth: 24% (25%)
Writing	79% (National: 65%) Greater Depth: 14% (16%)
Mathematics	83% (National: 73%) Greater Depth: 24% (21%)
Reading, Writing & Maths Combined	76% (National: 63%) Greater Depth: 14%

KS2 SATs (End of Year 6)

Subject

	<u>Reaching Expected Standard</u>
Reading	87% (National: 71%) Greater Depth: 20% (25%)
Writing	70% (National: 76%) Greater Depth: 17% (18%)
Grammar, Punctuation and Spelling	87% (National: 77%) Greater Depth: 40% (31%)
Mathematics	83% (National: 75%) Greater Depth: 30% (23%)
Reading, Writing & Maths Combined	63% (National: 61%) Greater Depth: 13% (9%)

Subject

	<u>Average Scaled Score</u>
Reading	106 (National: 104)
Mathematics	108 (National: 106)
SPaG	108 (National: 106)

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GOVERNORS' REPORT (continued)
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Pupil numbers

Year Group	Number on roll	Waiting list of
R	30	6
1	30	29
2	30	12
3	29	2
4	30	20
5	29	18
6	30	10

GOING CONCERN

On 1 September 2017 the entire operation of the academy and its assets and liabilities were transferred to the Birmingham Diocesan Academies Trust (company number 10729883). The Governors have therefore concluded that the financial statements of the academy should not be prepared on a going concern basis.

It is anticipated that the Governors will formally wind up the legal entity in the near future.

FINANCIAL REVIEW

The main sources of income for the Academy are grants from the Department of Education (DfE) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for capital expenditure from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned as defined in the Academy's accounting policies.

During the period ended 31 August 2017, total expenditure of £1,548,251 was contributed towards by recurrent grant funding from the DfE together with other incoming resources. The deficit of income over expenditure for the year (excluding restricted fixed asset funds) was £36,303. These figures exclude the deficit on the Local Government Pension Scheme (see note 19 to the accounts)

At 31 August 2017 the net book value of fixed assets was £2,142,587 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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GOVERNORS' REPORT (continued)
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RESERVES POLICY

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Academy is holding reserves at 31 August 2017 of £1,752,086.

This comprises:

Restricted Funds Deficit of £618,580

Unrestricted Funds of £68,862

Restricted Fixed Asset Funds of £2,301,804

Restricted Funds comprises:

£104,420 general funds to support the academy's budget in 2017-18

£723,000 is the deficit on the defined benefit pension scheme.

The free reserves of the Academy are £173,282 at 31 August 2017.

The Finance Committee has reviewed these reserves and believes they are adequate to provide sufficient working capital for the Academy to continue to operate within its financial resources, and to cover unexpected urgent work.

INVESTMENTS POLICY

The Trustee Body is responsible for setting investment policy. This day to day responsibility for managing this function was delegated to the Business Manager whose role is currently being fulfilled by the Head Teacher, Mrs Sue Simmons. In the current economic climate of reducing income, with low interest rates, and in view of the capital projects undertaken by the Academy, funds have been held in the Academy current account.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the operational areas of the site and facilities, of teaching and the finances. The Governors have implemented a system to assess risks that the school faces, especially in the operational areas which includes teaching, health and safety and in relation to the control of finance. The Governors have introduced systems, including operational procedures and internal financial controls, in order to minimise risk.

The principal financial risk facing the Academy is that funding is dependent upon pupil numbers. Pupil numbers are currently healthy, but Governors are aware that, in the long term, it may face falling rolls due to low local birth rate or be affected by the reputation of the school. Governors do not currently consider these to be a high risk.

The Academy's future funding is also dependent upon Government Policy for Education. The impact on St Clement's Academy Nechells of any review of Schools' Funding, will be assessed accordingly.

The Local Government Pension Scheme, a defined benefit scheme, is currently in deficit. The on-going contributions required, determined following a recent actuarial valuation, are considered to be manageable and within the academy's budget.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

PLANS FOR FUTURE PERIODS

FUTURE DEVELOPMENTS

During the course of the year, and in conjunction with the Department of Education and the Diocese of Birmingham, the Governors agreed that the operation of the school should join with its associated schools in a new multi academy trust – the Birmingham Diocesan Academies Trust – from 1 September 2017. On that date the operation of the school and its assets and liabilities were transferred. The legal entity known as St Clement's Church of England Primary Academy, Nechells ceased to trade as at that date.

FUNDS HELD AS CUSTODIAN

There are no Funds held as Custodian Trustee on behalf of others.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' Report is approved has confirmed that

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

This report was approved by order of the board of Governors as the company directors, on 14 December 2017 and signed on its behalf by:



Mrs S Butt
Chair of Governors

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility for ensuring that St Clement's C of E Primary Academy, Nechells has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Clement's C of E Primary Academy, Nechells and the Secretary of State for Education. They are 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 5 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
Mrs S Butt, Chair of Governors	4	5
Ms J Doal, Governor	5	5
Mr S Fairbanks, Governor	4	5
Miss S Goodhead, Governor	4	5
Miss H Groom, Governor	5	5
Ms S Khatun, Staff Governor	4	5
Mr G Moss, , Vice Chair of Governors	5	5
Mr J Pemberton, Governor	5	5
Mr D Ricketts, Head Teacher	5	5
Mrs K Sheckler, Governor	4	5
Miss D Gooden, Governor	0	3

The school governors annually review and bench mark their effectiveness against the National Governance Association (NGA) evaluation toolkits. This also identifies training requirements and skills gaps across the Governing Body.

Governors regularly review the quality of the data used by the board and make recommendations for improvement and also review the data provided by an external service provider and would seek another provider if necessary.

During the year the governors also considered the composition of the board going forward in readiness for the transfer to the Birmingham Diocesan Academies Trust.

The Finance Committee conducted a financial self-review using the toolkit produced by the EFA. The board was deemed effective in discharging its statutory, strategic and day-to-day functions.

The Finance Committee is a sub-committee of the main board of Governors. Its purpose is to:

- To operate as the audit committee as per EFA guidance
- To assist the decision making of the Governor body, by enabling more detailed consideration to be given to the best means of fulfilling the Trustee body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Miss S Goodhead, Chair	3	3
Mr D Ricketts	3	3
Mr G Moss	3	3
Mr J Pemberton	2	3

REVIEW OF VALUE FOR MONEY

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

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

Raising student attainment

Children enter the Nursery with skills and experiences well below those typically seen for their age, especially in their language, speaking, and social development. Good progress is made both in the Nursery and the Reception years leading to outcomes that are at above national and local averages at the end of the EYFS – a trend that is reflected in the end of KS1 outcomes.

The teaching of phonics is a particular strength at the Academy with results for 2016/17 continuing to exceed both local and national averages.

Robust Governance and oversight of Academy's finance

Responsible Officer (RO) reports are produced which detail the Academy's compliance and demonstrate that the Academy has sound internal spending controls. These reports are presented to the Finance Committee on a termly basis. The Academy also adopts the Academies Financial Handbook annually and complies with all updates and changes to policy and practice.

The full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy remains a "going concern". The Governing Body also receives and approves the Statutory Accounts and the External Auditor's Management Report.

Ensuring Value for Money is achieved and resources are used efficiently and effectively

Contracts are regularly reviewed to ensure they conform to with the Financial Regulations and limits agreed by the Governing Body. The latest example of this saw the catering contracted to Aspens which has improved the quality of the food within the allocated resources in an effort to maximise value for money and quality of provision for the pupils. This has aided the continued smooth introduction of free school dinners for KS1. Comparable quotes are obtained for expenditure over £10,000 but below the tender limit.

Reviewing controls and managing risks

Budget reports are monitored on a regular basis by the Business Manager and the Head Teacher. Any remedial action is taken to address any significant variances that may have an impact on budget outturn. Budget monitoring and financial information reports are now issued to the governors on a monthly basis. Significant variances are reported to, and discussed termly in the Finance Committee meeting.

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GOVERNANCE STATEMENT (continued)

Reviewing operation to maximise the use of resources

The Senior Leadership Team review expenditure within each budget heading annually and make adjustments based on effectiveness of strategies introduced in previous years, curriculum development and the School 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 ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Clement's C of E Primary Academy, Nechells for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

THE RISK AND CONTROL FRAMEWORK

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

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

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GOVERNANCE STATEMENT (continued)

The board of Governors has considered the need for a specific internal audit function and has decided to appoint DRB Management Limited as internal auditor. Services 4 schools Limited was later appointed to replace the previous internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems including:

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

On a termly basis, the appointee reports to the Board of Governors through the audit committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Governors on 14 December 2017 and signed on their behalf, by:



Mrs S Butt
Chair of Governors



Mr D Ricketts
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Clement's C of E Primary Academy, Nechells I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.



Mr D Ricketts
Accounting Officer

Date: 14 December 2017

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors (who act as governors of St Clement's C of E Primary Academy, Nechells and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Governors 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 Governors on 14 December 2017 and signed on its behalf by:



Mrs S Butt
Chair of Governors

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS

OPINION

We have audited the financial statements of St Clement's C of E Primary Academy, Nechells for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

We draw attention to note 22 of the financial statements, which explains that the financial statements have been prepared on the basis that the company is no longer a going concern; as the company has transferred its trade, assets and liabilities to a new Multi Academy Trust and has ceased trading. Our opinion is not modified in this respect.

OTHER INFORMATION

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

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remunerations specified by law 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 Governors' responsibilities, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

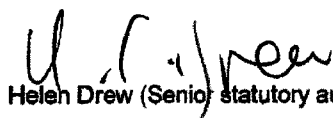
ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF ST
CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Helen Drew (Senior statutory auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG
14 December 2017

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 23 July 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Clement's C of E Primary Academy, Nechells during the year 1 September 2016 to 31 August 2017 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 Clement's C of E Primary Academy, Nechells and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Clement's C of E Primary Academy, Nechells and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Clement's C of E Primary Academy, Nechells and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of St Clement's C of E Primary Academy, Nechells's funding agreement with the Secretary of State for Education dated 1 October 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Academy and specific transactions identified from our review.

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST
CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS AND THE EDUCATION FUNDING AGENCY**
(continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

14 December 2017

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	-	2,200	162,682	164,882	30,499
Charitable activities	3	25,049	1,425,836	-	1,450,885	1,416,849
Investments	4	131	-	-	131	541
TOTAL INCOME		25,180	1,428,036	162,682	1,615,898	1,447,889
EXPENDITURE ON:						
Charitable activities		10,816	1,478,703	58,732	1,548,251	1,483,640
TOTAL EXPENDITURE	5	10,816	1,478,703	58,732	1,548,251	1,483,640
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		14,364	(50,667)	103,950	67,647	(35,751)
Actuarial losses on defined benefit pension schemes	19	-	(72,000)	-	(72,000)	(312,000)
NET MOVEMENT IN FUNDS		14,364	(122,667)	103,950	(4,353)	(347,751)
RECONCILIATION OF FUNDS:						
Total funds brought forward		54,498	(495,913)	2,197,854	1,756,439	2,104,190
TOTAL FUNDS CARRIED FORWARD		68,862	(618,580)	2,301,804	1,752,086	1,756,439

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)
REGISTERED NUMBER: 08165736

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	11	2,142,587	2,197,854
CURRENT ASSETS			
Debtors	12	66,993	67,553
Cash at bank and in hand		345,309	194,531
		<u>412,302</u>	<u>262,084</u>
CREDITORS: amounts falling due within one year	13	<u>(71,803)</u>	<u>(120,499)</u>
NET CURRENT ASSETS		<u>340,499</u>	<u>141,585</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,483,086</u>	<u>2,339,439</u>
CREDITORS: amounts falling due after more than one year	14	<u>(8,000)</u>	<u>(5,000)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES		<u>2,475,086</u>	<u>2,334,439</u>
Defined benefit pension scheme liability	19	<u>(723,000)</u>	<u>(578,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES		<u>1,752,086</u>	<u>1,756,439</u>
FUNDS OF THE ACADEMY			
Restricted income funds:			
Restricted income funds	15	104,420	82,087
Restricted fixed asset funds	15	2,301,804	2,197,854
Restricted income funds excluding pension liability		<u>2,406,224</u>	<u>2,279,941</u>
Pension reserve		<u>(723,000)</u>	<u>(578,000)</u>
Total restricted income funds		<u>1,683,224</u>	<u>1,701,941</u>
Unrestricted income funds	15	<u>68,862</u>	<u>54,498</u>
TOTAL FUNDS		<u>1,752,086</u>	<u>1,756,439</u>

The financial statements on pages 22 to 45 were approved by the Governors, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:

Mrs S Butt
Chair of Governors



ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	<u>(8,570)</u>	<u>78,585</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(3,465)	(48,523)
Capital grants from DfE/ESFA		162,682	6,399
Interest received		131	541
Net cash provided by/(used in) investing activities		<u>159,348</u>	<u>(41,583)</u>
Change in cash and cash equivalents in the year		150,778	37,002
Cash and cash equivalents brought forward		<u>194,531</u>	<u>157,529</u>
Cash and cash equivalents carried forward	18	<u><u>345,309</u></u>	<u><u>194,531</u></u>

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 COMPANY STATUS

The academy is a company limited by guarantee, which is incorporated and registered in England and Wales (No. 08165736). The members of the company are named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 GOING CONCERN

As explained in Note 22, the company transferred its trade, assets and liabilities to a new Multi Academy Trust on 1 September 2017 and has ceased trading. As required by UK accounting standards, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities were transferred to the new Multi Academy Trust at their carrying amounts.

1.4 FUND ACCOUNTING

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

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

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

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

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.5 INCOME

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

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

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

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

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

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

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

1.6 EXPENDITURE

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

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

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

L/Term Leasehold Property	-	50 years
Plant & machinery	-	4 years
Computer equipment	-	4 years

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

The freehold land is owned by The Diocesan Board of Education. The Trustees of The Diocesan Board of Education have granted the Academy, via a supplemental agreement, the right to use the land for educational purposes indefinitely. The buildings have therefore been treated as long leasehold property. The land has not been depreciated as there is no cessation date for occupancy and the agreement is for indefinite use.

1.8 OPERATING LEASES

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

1.9 TAXATION

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

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.10 LIABILITIES AND PROVISIONS

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

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

1.11 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 13 and 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2017. 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.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Insurance reclaims	-	2,200	-	2,200	24,100
Capital Grants	-	-	162,682	162,682	6,399
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Donations	-	2,200	162,682	164,882	30,499
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total 2016	-	24,100	6,399	30,499	
	<hr/>	<hr/>	<hr/>	<hr/>	

ST CLEMENT'S C OF E PRIMARY ACADEMY, NECHELLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,130,968	1,130,968	1,115,977
Other DfE/EFA grants	-	209,169	209,169	210,090
	-	1,340,137	1,340,137	1,326,067
Other government grants				
LA Grants	-	69,993	69,993	57,295
	-	69,993	69,993	57,295
Other funding				
School fund	12,793	-	12,793	11,487
Catering	12,256	-	12,256	14,413
TeachFirst income	-	2,600	2,600	5,200
Other income	-	13,106	13,106	2,387
	25,049	15,706	40,755	33,487
	25,049	1,425,836	1,450,885	1,416,849
<i>Total 2016</i>	25,900	1,390,949	1,416,849	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Short term deposits	131	-	131	541
<i>Total 2016</i>	541	-	541	

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5. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	<i>Total 2016 £</i>
Academy's educational operations					
Direct costs	844,470	58,732	110,518	1,013,720	949,645
Support costs	294,928	50,966	188,637	534,531	533,995
	1,139,398	109,698	299,155	1,548,251	1,483,640
<i>Total 2016</i>	<i>1,043,745</i>	<i>109,774</i>	<i>330,121</i>	<i>1,483,640</i>	

6. SUPPORT COSTS

	Activities £	Total 2017 £	<i>Total 2016 £</i>
Technology costs	20,125	20,125	19,710
Premises Costs	50,966	50,966	62,550
Other support costs	157,512	157,512	179,876
Governance costs	11,000	11,000	11,850
Wages and salaries	187,771	187,771	207,901
National insurance	9,508	9,508	7,239
Pension cost	97,649	97,649	44,869
	534,531	534,531	533,995
<i>At 31 August 2016</i>	<i>533,995</i>	<i>533,995</i>	

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

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7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	58,732	47,224
Auditor's remuneration - audit	3,500	3,000
Auditor's remuneration - non audit	1,500	2,400
Operating lease rentals	6,226	6,226
	<u>69,958</u>	<u>58,850</u>

8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	858,490	827,322
Social security costs	58,728	56,385
Operating costs of defined benefit pension schemes	201,058	136,346
	<u>1,118,276</u>	<u>1,020,053</u>
Supply teacher costs	21,122	23,692
	<u>1,139,398</u>	<u>1,043,745</u>

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

	2017 No.	2016 No.
Teachers	13	13
Administration and support	30	30
Management	4	2
	<u>47</u>	<u>45</u>

No employee received remuneration amounting to more than £60,000 in either year.

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) received by key management personnel for their services to the academy trust was £237,223 (2016: £166,124).

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FOR THE YEAR ENDED 31 AUGUST 2017**

9. GOVERNORS' REMUNERATION AND EXPENSES

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

		2017 £	2016 £
Mr D Ricketts	Remuneration	55,000-60,000	<i>55,000-60,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
Ms S Khatun	Remuneration	15,000-20,000	<i>15,000-20,000</i>
	Pension contributions paid	0-5,000	<i>0-5,000</i>
Miss H Groom	Remuneration	40,000-45,000	<i>40,000-45,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>

During the year, no travel and subsistence expenses (2016 - £49) were reimbursed to governors.

10. GOVERNORS' 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 business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme.

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11. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Plant & machinery £	Computer equipment £	Total £
COST				
At 1 September 2016	2,259,185	62,842	52,551	2,374,578
Additions	-	3,465	-	3,465
At 31 August 2017	<u>2,259,185</u>	<u>66,307</u>	<u>52,551</u>	<u>2,378,043</u>
DEPRECIATION				
At 1 September 2016	117,108	20,916	38,700	176,724
Charge for the year	29,884	15,710	13,138	58,732
At 31 August 2017	<u>146,992</u>	<u>36,626</u>	<u>51,838</u>	<u>235,456</u>
NET BOOK VALUE				
At 31 August 2017	<u>2,112,193</u>	<u>29,681</u>	<u>713</u>	<u>2,142,587</u>
At 31 August 2016	<u>2,142,077</u>	<u>41,926</u>	<u>13,851</u>	<u>2,197,854</u>

Included in land and buildings is freehold land at valuation of £765,000 (2016 - £765,000).

12. DEBTORS

	2017 £	2016 £
Other debtors	7,525	5,063
Prepayments and accrued income	59,468	62,490
	<u>66,993</u>	<u>67,553</u>

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13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Other loans	2,000	5,000
Trade creditors	13,035	-
Other taxation and social security	17,066	17,559
Accruals and deferred income	39,702	97,940
	<u>71,803</u>	<u>120,499</u>
	2017 £	2016 £
DEFERRED INCOME		
Deferred income at the beginning of the period	11,854	9,942
Resources deferred during the year	12,746	11,854
Amounts released from previous years	(11,854)	(9,942)
Deferred income at 31 August 2017	<u>12,746</u>	<u>11,854</u>

The above deferred income consists of £12,746 for infant free school meals.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £	2016 £
Other loans	<u>8,000</u>	<u>5,000</u>

In the financial year ending 31st August 2014, St Clement's received a Salix loan of £10,000 from the ESFA for replacement boilers. The loan is at 0% interest and will be repaid over a 5 year period in £1,000 instalments every 6 months from 1 March 2015. Repayment has not commenced at year end as Salix Finance have not received the necessary documentation.

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**NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
Unrestricted funds	54,498	25,180	(10,816)	-	-	68,862
RESTRICTED FUNDS						
General Annual Grant (GAG	53,707	1,148,874	(1,201,081)	-	-	1,500
Other EFA grants	28,380	209,169	(207,629)	-	-	29,920
LA Grants	-	69,993	(69,993)	-	-	-
Pension reserve	(578,000)	-	-	-	(72,000)	(650,000)
	<u>(495,913)</u>	<u>1,428,036</u>	<u>(1,478,703)</u>	<u>-</u>	<u>(72,000)</u>	<u>(618,580)</u>
RESTRICTED FIXED ASSET FUNDS						
Restricted fixed assets	2,197,854	-	(58,732)	3,465	-	2,142,587
DfE/ESFA capital grants	-	6,482	-	(3,465)	-	3,017
CIF capital grant	-	156,200	-	-	-	156,200
	<u>2,197,854</u>	<u>162,682</u>	<u>(58,732)</u>	<u>-</u>	<u>-</u>	<u>2,301,804</u>
Total restricted funds	<u>1,701,941</u>	<u>1,590,718</u>	<u>(1,537,435)</u>	<u>-</u>	<u>(72,000)</u>	<u>1,683,224</u>
Total of funds	<u>1,756,439</u>	<u>1,615,898</u>	<u>(1,548,251)</u>	<u>-</u>	<u>(72,000)</u>	<u>1,752,086</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS						
Unrestricted funds	53,275	26,441	(25,218)	-	-	54,498
	<u>53,275</u>	<u>26,441</u>	<u>(25,218)</u>	<u>-</u>	<u>-</u>	<u>54,498</u>

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

RESTRICTED FUNDS

General Annual Grant (GAG)	68,000	1,115,977	(1,088,146)	(42,124)	-	53,707
Other ESFA grants	30,360	210,090	(212,070)	-	-	28,380
Other restricted funds	-	88,982	(88,982)	-	-	-
Pension reserve	(244,000)	-	(22,000)	-	(312,000)	(578,000)
	<u>(145,640)</u>	<u>1,415,049</u>	<u>(1,411,198)</u>	<u>(42,124)</u>	<u>(312,000)</u>	<u>(495,913)</u>

RESTRICTED FIXED ASSET FUNDS

Restricted fixed assets	2,196,555	-	(47,224)	48,523	-	2,197,854
DfE/ESFA capital grants	-	6,399	-	(6,399)	-	-
	<u>2,196,555</u>	<u>6,399</u>	<u>(47,224)</u>	<u>42,124</u>	<u>-</u>	<u>2,197,854</u>
Total restricted funds	<u>2,050,915</u>	<u>1,421,448</u>	<u>(1,458,422)</u>	<u>-</u>	<u>(312,000)</u>	<u>1,701,941</u>
Total of funds	<u>2,104,190</u>	<u>1,447,889</u>	<u>(1,483,640)</u>	<u>-</u>	<u>(312,000)</u>	<u>1,756,439</u>

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

- 1) General Annual Grant: this must be used for the normal running costs of the Academy Trust
- 2) Other DfE/EFA Grant: this fund relates to other grants received which must be used for the purpose intended.
- 3) Other Restricted Funds: this fund relates to all other restricted funds received which must be used for the purpose intended.
- 4) Restricted fixed asset fund: this fund relates to resources which must be applied for specific capital purposes intended.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	54,498	25,180	(10,816)	-	-	68,862
Restricted funds	(495,913)	1,428,036	(1,478,703)	-	(72,000)	(618,580)
Restricted fixed asset funds	2,197,854	162,682	(58,732)	-	-	2,301,804
	<u>1,756,439</u>	<u>1,615,898</u>	<u>(1,548,251)</u>	<u>-</u>	<u>(72,000)</u>	<u>1,752,086</u>

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

SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
General funds	53,275	26,441	(25,218)	-	-	54,498
Restricted funds	(145,640)	1,415,049	(1,411,198)	(42,124)	(312,000)	(495,913)
Restricted fixed asset funds	2,196,555	6,399	(47,224)	42,124	-	2,197,854
	<u>2,104,190</u>	<u>1,447,889</u>	<u>(1,483,640)</u>	<u>-</u>	<u>(312,000)</u>	<u>1,756,439</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	2,142,587	2,142,587
Current assets	68,862	184,223	159,217	412,302
Creditors due within one year	5,000	(76,803)	-	(71,803)
Creditors due in more than one year	(5,000)	(3,000)	-	(8,000)
Provisions for liabilities and charges	-	(723,000)	-	(723,000)
	<u>68,862</u>	<u>(618,580)</u>	<u>2,301,804</u>	<u>1,752,086</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2016 £</i>	<i>Restricted funds 2016 £</i>	<i>Restricted fixed asset funds 2016 £</i>	<i>Total funds 2016 £</i>
Tangible fixed assets	-	-	2,197,854	2,197,854
Current assets	54,498	207,586	-	262,084
Creditors due within one year	-	(120,499)	-	(120,499)
Creditors due in more than one year	-	(5,000)	-	(5,000)
Provisions for liabilities and charges	-	(578,000)	-	(578,000)
	<u>54,498</u>	<u>(495,913)</u>	<u>2,197,854</u>	<u>1,756,439</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	67,647	(35,751)
Adjustment for:		
Depreciation charges	58,732	47,224
Decrease/(increase) in debtors	560	(13,972)
(Decrease)/increase in creditors	(45,696)	66,024
Capital grants from DfE and other capital income	(162,682)	(6,399)
Defined benefit pension scheme cost less contributions payable	60,000	13,000
Defined benefit pension scheme finance cost	13,000	9,000
Returns on Investments and servicing of finance	(131)	(541)
Net cash (used in)/provided by operating activities	(8,570)	78,585

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	345,309	194,531
Total	345,309	194,531

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**NOTES TO THE FINANCIAL STATEMENTS
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19. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are Multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £83,771 (2016 - £78,062).

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19. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £52,959 (2016 - £39,349), of which employer's contributions totalled £35,865 (2016 - £24,640) and employees' contributions totalled £16,094 (2016 - £14,709). The agreed contribution rates for future years are 19.5% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	3.75 %
Rate of increase for pensions in payment / inflation	2.70 %	2.00 %
Inflation assumption (CPI)	2.70 %	2.00 %

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

	2017	2016
Retiring today		
Males	21.8	23.1
Females	24.3	25.8
Retiring in 20 years		
Males	24.0	25.3
Females	26.6	28.1

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	1,213,000	946,000
Discount rate -0.1%	1,295,000	1,011,000
Mortality assumption - 1 year increase	1,293,000	1,003,000
Mortality assumption - 1 year decrease	1,214,000	954,000
CPI rate +0.1%	1,286,000	1,007,000
CPI rate -0.1%	1,221,000	950,000

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19. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	336,000	237,000
Government Bonds	39,000	28,000
Other bonds	20,000	34,000
Property	39,000	32,000
Cash and other liquid assets	26,000	26,000
Other	70,000	43,000
	<u>530,000</u>	<u>400,000</u>
Total market value of assets	<u><u>530,000</u></u>	<u><u>400,000</u></u>

The actual return on scheme assets was £73,000 (2016 - £60,000).

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

	2017 £	2016 £
Opening defined benefit obligation	978,000	536,000
Interest cost	22,000	22,000
Employee contributions	16,000	14,000
Actuarial losses	143,000	359,000
Current service cost	94,000	47,000
	<u>1,253,000</u>	<u>978,000</u>
Closing defined benefit obligation	<u><u>1,253,000</u></u>	<u><u>978,000</u></u>

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

	2017 £	2016 £
Opening fair value of scheme assets	400,000	292,000
Interest income	9,000	13,000
Actuarial losses	71,000	47,000
Employer contributions	34,000	34,000
Employee contributions	16,000	14,000
	<u>530,000</u>	<u>400,000</u>
Closing fair value of scheme assets	<u><u>530,000</u></u>	<u><u>400,000</u></u>

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20. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	6,226	6,226
Between 1 and 5 years	4,669	10,895
Total	<u>10,895</u>	<u>17,121</u>

21. RELATED PARTY TRANSACTIONS

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

The Diocesan Board of Education Trust which acts as the sponsor were paid a levy of £30,322 (2016: £27,565) by the Academy during the period. The Academy received £Nil (2016: £Nil) reimbursements of costs during the year. A balance of £2,767 (2016: £Nil) owing to Diocesan Board of Education Trust remained outstanding at the year end.

The freehold land is held by the Birmingham Diocesan Trustees registered as custodians for the beneficial user of the land - St Clement's C of E Primary Academy, Nechells. The Birmingham Diocesan Trustees have granted the Academy, via a supplemental agreement, the right to use the land for educational purposes indefinitely. The land has not been depreciated as there is no cessation date for occupancy and the agreement is for indefinite use.

Jasmine Doal, Daughter of Joy Doal, was employed during the period as a Teacher. The Academy paid £24,243 (2016: £22,224) in respect of her salary. The Academy also incurred pension costs of £3,995 (2016: £3,666) and National Insurance contributions of £2,224 (2016: £1624.74).

The Vice Chair, John Line is a director of Academy Company Secretary Limited. Secretarial services were provided to St Clement's C of E Primary Academy, Nechells during 2016 and 2015 at no cost.

22. POST BALANCE SHEET EVENTS

On 1 September 2017, the academy trust transferred all operations, assets and liabilities to the Birmingham Diocesan Academies Trust (Company number: 10729883) and ceased trading.

Therefore the accounts are not prepared on a going concern basis

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NOTES TO THE FINANCIAL STATEMENTS
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23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The St Clement's C of E Primary Academy, Nechells is an autonomous body, financed mainly by public funding and files separate entity accounts.

The Academy's sponsor, The Diocesan Board of Educational Trust, incorporated in England and Wales (Company No: 07934124, Charity No: 1150469), has the power to appoint Governors to the board of the Academy. St Clement's C of E Primary Academy, Nechells, along with all other academies in The Diocese of Birmingham Educational Trust, will therefore be consolidated at trust level.

24. MEMBERS' LIABILITY

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