



Learning & Loving Through God'

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

(A COMPANY LIMITED BY GUARANTEE)

Annual Report and Financial Statements

for the Seventeen Months ended 31st August 2016



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HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

(A company limited by guarantee)

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

Members

Diocesan Financial Secretary (appointed 11 March 2015)

Vicar General (appointed 11 March 2015)

Chair of Governors (appointed 11 March 2015)

Trustees

Sr E M Boles (appointed 22 June 2015)¹

Mrs S L Browning (appointed 22 June 2015)¹

Rev B Chalkley (appointed 11 March 2015)^{1,2}

Mrs C M Crabtree (appointed 16 September 2015)¹

Dr J Doyle (appointed 11 March 2015)¹

Mrs Y E Forshaw (appointed 16 September 2015)

Miss C Hollands (appointed 22 June 2015)²

Mrs K Insley (appointed 11 March 2015, resigned 22 June 2015)^{1,2}

Mrs M James (appointed 22 June 2015)²

R Langford (appointed 11 March 2015)^{1,2}

Mrs J A Low (appointed 22 June 2015)²

Dr I F Wilson (appointed 22 June 2015)²

¹ Business Premises and Personnel Committee

² Standards and Curriculum Committee

Company registered number

09483921

Company name

Holy Innocents Catholic Primary School

Principal and registered office

Mitchell Road, Orpington, Kent, BR6 9JT

Company secretary

Ms S L Browning

Independent auditor

Knill James, One Bell Lane, Lewes, East Sussex, BN7 1JU

Bankers

Lloyds Bank Plc, 177-179 High Street, Orpington, Kent, BR6 0LJ

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

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TRUSTEES' REPORT FOR THE PERIOD ENDED 31 AUGUST 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from incorporation 11 March 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates an academy for pupils aged 5 to 11 serving a catchment area including the Roman Catholic parishes of Holy Innocents (Orpington), St Michael and All Angels (Locksbottom) and St Theresa (Biggin Hill). It has a standard pupil capacity of 210 and had a roll of 219 in the school census in August 2016.

Since the academy qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. 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 trustees of the Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Holy Innocents Catholic Primary School, this also being the name of the Academy Trust and the Academy/School.

Details of the Trustees who served during the period are included in the Reference and administrative details on page 1.

b. Members' Liability

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

c. Method of Recruitment and Appointment or Election of Trustees

The Board of Trustees, known usually as the Governing Body, comprises three different classes of Governor. Foundation Governors, of which there can be up to eight, are appointed by the Archdiocese of Southwark; Staff Governors, of which there are up to two, are nominated by the school; Parent Governors, of which there can be two, are elected by the parents. In addition the Head Teacher is a member of the Governing Body.

d. Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training in charity, educational, legal and financial matters.

All Trustees are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role.

In addition to purchasing trustee training from Octavo Partnership in Croydon, we also subscribe to trustee courses provided by the Archdiocese of Southwark.

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

e. Arrangements for setting pay and remuneration of key management personnel

The Trust does not have provision to make any payment to a trustee other than when these arise due to employment by the school, when they are subject to the normal salary structure, or when they apply to service performed under a commercial contract. There are no plans to introduce payment for trustees.

The pay for the Head Teacher is set by reference to a Performance Review, referring to targets set by a sub-group of the Governing Body assisted by an external consultant. Pay is set in accordance with standard Teachers' Pay Scales and Allowances according to Leadership Group Pay Range for the size of the school.

f. Organisational Structure

Holy Innocents Catholic Primary School is a single academy trust. The strategic direction of the school rests with the Governing Body, who are also the directors of the company. The terms trustee, director and governor should be regarded as the same for the purposes of this report. There is limited delegation to two committees, the Business, Premises and Personnel Committee and the Standards and Curriculum Committee. This delegation is defined by Terms of Reference approved annually by the Governing Body. The day to day direction of the school is delegated to the Head Teacher, who is the accounting officer for the Trust, as defined by a Scheme of Delegation approved by the Governing Body.

g. Related Parties and other Connected Charities and Organisations

The Trust is a member of the Bromley Catholic Schools Trust, usually referred to as the Umbrella Trust, which operates as a means of co-operation, sharing of resources and exchange of good practice. The Umbrella Trust has no power to direct Holy Innocents Catholic Primary School in its day to day or strategic operations.

The Trust is under the direction in certain aspects of the Archdiocese of Southwark Education Commission but does not have any formal connection with any other charity or organisation that can direct the Trust or can be required to operate at the direction of the Trust.

h. Trustees' Indemnities

The academy trust has not entered into any qualifying third party indemnity provisions that require disclosure under the Companies Act 2006 s236.

Objectives and Activities

a. Objects and Aims

The academy trust exists solely to operate Holy Innocents Catholic Primary School, to provide a high standard of primary education to children in the 5 to 11 year age range subject to its published admissions criteria. As a Catholic School its mission is to ensure a happy and secure learning environment founded on the teaching of Christ and His Church, where we celebrate and respect diversity within our community and strive for the highest standards in all we do.

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

b. Objectives, Strategies and Activities

The schools general objective is to progress towards the outstanding category of schools, as assessed by OFSTED and other performance criteria. This is approached by building on existing areas of strength whilst identifying and correcting areas of weakness. In the year under review the school targeted its performance in writing across the school, closing the gap for disadvantaged pupils and maintaining the high level of teaching reported by our external consultant.

As part of this strategy the aim is for all teaching to be classed as Good or Outstanding by external observation.

c. Public Benefit

Throughout the year under review the school has continued to operate for the education of primary aged children within the local community. Although Holy Innocents is a Roman Catholic school it accepts children from all faiths, or none, regarding the fact that it is a multi-faith, multi-cultural school as one of its strengths, reaffirming its service to the wider community.

Achievements and performance

a. Key Performance Indicators

During the period since its conversion the school has shown considerable evidence of success. Holy Innocents was listed for the first time as one of the top 200 primary schools in the UK by the Daily Telegraph and finished fourth for results in the London Borough of Bromley.

The school has not had an OFSTED inspection since its conversion to academy status but all the evidence of internal monitoring and external consultant review is that the school has consistently improved since its last inspection. The Umbrella Trust's external consultant commented that "Holy Innocents is a good school which has improved considerably since the OFSTED inspection. The progress made by pupils is excellent."

Key stage results have been excellent at the end of year in 2016. The following are particularly of note:-

KS2 Reading, Writing and Maths Combined Score

Holy Innocents	85.7%
Bromley Schools Average	66.7%
National Average	53%

KS1 Reading, Writing and Maths Combined Score

Holy Innocents	82%
Bromley Schools Average	67%

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

Financial review

The financial statements relate to a 17 month period following conversion on 1 April 2015. Most of the academy trust's income is obtained from the DfE in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The restricted fund income for the period amounted to £1,439,736. The grants received during the period and the associated expenditure are shown as restricted funds in the Statements of Financial Activities. Restricted fund expenditure amounted to £1,439,668. The net income amounted to £68.

On conversion the property licenced from the Southwark Roman Catholic Diocesan Corporation has been brought into the financial statements at the valuation provided by the EFA of £4,625,000. This "donation" makes up the majority of the restricted fixed assets fund income for the period of £4,637,714. The expenditure on this fund relates to the depreciation of fixed assets.

Additionally, on conversion there was a transfer of £13,481 from the Local Authority. In addition the previous school fund held a balance of £19,074. These sums contribute the majority of the unrestricted fund income of £70,439. The unrestricted fund expenditure amounted to £17,372 producing a net income amounting to £53,067.

The value of fixed assets at 31 August 2016 was £4,632,004.

The net assets amounted to £4,622,000 which includes a Local Government Pension Scheme (LGPS) liability of £115,000 taken on at conversion and shown in note 20.

a. Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

b. Principal Risks and Uncertainties

The principal risks and uncertainties for the school are changes in government funding strategy or a reduction in the number of pupils for admission. Short term risks can arise due to variations in cash flow but current policies normally see major sources of income received in advance of expenditure demands.

Longer term risks may arise due to the deterioration of buildings but this is managed as far as possible by a robust maintenance strategy.

c. Reserves Policy

At 31 August 2016 the academy had reserves of £4,622,000, including a fixed asset reserve of £4,632,004. Unrestricted reserves stood at £53,067 at the year end.

There were no designated reserves, the full amount of unrestricted reserves being available for general purposes. The unrestricted reserves at 31 August 2016 represent less than one month's normal expenditure.

The Academy's Reserves Policy permits it to hold up to three months expenditure at any time above which the Head Teacher should confer with the governing body regarding use of excess funds.

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

d. Investment Policy

The funds available to the academy trust are normally intended to be expended in the year of receipt, such that no significant build up of cash is anticipated for investment. Excess cash from time to time is held on the Trust's current account and there are no plans for longer term investment of funds.

Plans for Future Periods

The budget for 2016-17 is broadly similar to the income and expenditure in 2015-16. The aims and objectives remain unchanged and will need to continue to be achieved with existing resources.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held on behalf of third parties.

Disclosure of information to the auditor

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

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

Auditor

During the period the Trust appointed Knill James, Chartered Accountants, as its external auditor.

The auditor, Knill James, has indicated its willingness to continue in office. The Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report was approved by order of the board of trustees as the company directors, on 21 November 2016 and signed on its behalf by:



**Rev B Chalkley
Trustee**

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Holy Innocents Catholic Primary School 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 delegated the day-to-day responsibility to the Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Holy Innocents Catholic Primary School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 5 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Sr E M Boles	5	5
Mrs S L Browning	5	5
Rev B Chalkley	5	5
Mrs C M Crabtree	3	3
Dr J Doyle	5	5
Mrs Y E Forshaw	4	4
Miss C Hollands	5	5
Mrs K Insley	2	2
Mrs M James	4	4
R Langford	5	5
Mrs J A Low	5	5
Dr I F Wilson	4	5

The Business, Premises and Personnel Committee is a sub-committee of the main board of trustees. Its purposes are set out in its Terms of Reference but can be summarised as overseeing the business and financial aspects of the Academy Trust. This is the responsible committee for audit issues.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Sr E M Boles	3	4
Mrs S L Browning	4	4
Rev B Chalkley	4	4
Mrs C M Crabtree	3	3
Dr J Doyle	2	3
Mrs K Insley	1	1
R Langford	4	4

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GOVERNANCE STATEMENT (continued)

The Standards and Curriculum Committee is also a sub-committee of the main board of trustees. Its purposes are set out in its Terms of Reference but can be summarised as overseeing the academic performance of the school.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Rev B Chalkley	6	6
Mrs Y E Forshaw	4	4
Miss C Hollands	6	6
Mrs K Insley	1	2
Mrs M James	4	5
R Langford	6	6
Mrs J A Low	6	6
I F Wilson	3	6

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Head Teacher 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 trustees 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 period by:

- Changing supplies for utility services;
- Increasing use of online purchasing to achieve best prices;
- Entering into negotiations to change contracts for photocopying and printing;
- Extending the range of supplies of goods and services for competitive pricing;
- Continuingly reviewing the staffing structure for effectiveness and cost;
- Achieving outstanding results at all key stages without significant increase in staffing or other costs.

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 Holy Innocents Catholic Primary School for the period 1 April 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees 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 trustees 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 period 1 April 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

GOVERNANCE STATEMENT (continued)

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 trustees;
- regular reviews by the Business, Premises and Personnel 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.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Liberata as 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. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of petty cash controls
- testing of lettings system
- testing of control account/ bank reconciliations

Following an initial report on the period to 31 August 2016 the internal auditor will in future report on a termly basis to the board of trustees through the Business, Premises and Personnel Committee on the operation of financial controls and on the discharge of the board of trustees' financial responsibilities. The School Business Manager has prepared an Audit Action Plan in response to the initial report by the internal auditor for presentation to the Business, Premises and Personnel Committee.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the School Business Manager and others 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 Business, Premises and Personnel 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 trustees on 21 November 2016 and signed on their behalf, by:



Rev B Chalkley
Trustee



R Langford
Accounting Officer

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Holy Innocents Catholic Primary School I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust 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 2015.

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



R Langford
Accounting Officer

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2016**

The Trustees (who act as governors of Holy Innocents Catholic Primary School and are also the directors of the charitable company 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 Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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 21 November 2016 and signed on its behalf by:



Rev B Chalkley
Trustee

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

We have audited the financial statements of Holy Innocents Catholic Primary School for the period ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the academy'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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 12), the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or 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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Knill James

Susan Foster FCA (Senior statutory auditor)

for and on behalf of

Knill James

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU
21 November 2016

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 August 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Holy Innocents Catholic Primary School during the period 1 April 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Holy Innocents Catholic Primary School's funding agreement with the Secretary of State for Education dated 1 April 2015, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

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INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)

Our normal audit procedures do provide assurance with regard to the regularity engagement, however some additional testing has been undertaken. This included:

- direct consideration and corroboration of evidence used to inform the Accounting Officer's statements;
- extension of procedures to assess compliance with the funding agreement and Academies Financial Handbook from those already performed as part of the audit;
- consideration of whether expenditure outside of the academies delegated authorities (if any) has received departmental approval;
- evaluation and assessment of the operating effectiveness of the general control environment and operational level which are intended to reduce the risk of irregularity;
- assessment of the adequacy of policies and procedures to ensure compliance with the framework of authorities;
- consideration of whether the absence of a control (if any) represents a breach of authorities;
- review of accounts or transactions susceptible to a greater risk of impropriety such as credit cards and cash accounts;
- extension of testing to other funds, activities conducted, consideration of propriety, or the review of high level financial controls.

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 April 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Knill James

Susan Foster FCA (Reporting Accountant)
for and on behalf of

Knill James

Chartered Accountants

One Bell Lane
Lewes
East Sussex
BN7 1JU

21 November 2016

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

(A company limited by guarantee)

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

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
INCOME FROM:					
Donations and capital grants	2	49,803	(63,000)	4,637,714	4,624,517
Charitable activities	3	-	1,462,705	-	1,462,705
Other trading activities	4	20,432	40,031	-	60,463
Investments	5	204	-	-	204
TOTAL INCOME		70,439	1,439,736	4,637,714	6,147,889
EXPENDITURE ON:					
Raising funds		17,372	-	-	17,372
Charitable activities		-	1,439,668	21,849	1,461,517
TOTAL EXPENDITURE	7	17,372	1,439,668	21,849	1,478,889
NET INCOME BEFORE TRANSFERS		53,067	68	4,615,865	4,669,000
Transfers between Funds	15	-	(16,139)	16,139	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		53,067	(16,071)	4,632,004	4,669,000
Actuarial losses on defined benefit pension schemes	20	-	(47,000)	-	(47,000)
NET MOVEMENT IN FUNDS		53,067	(63,071)	4,632,004	4,622,000
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		53,067	(63,071)	4,632,004	4,622,000

All of the academy's activities derive from acquisitions in the current financial period.

The notes on pages 19 to 36 form part of these financial statements.

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

(A company limited by guarantee)
REGISTERED NUMBER: 09483921

**BALANCE SHEET
AS AT 31 AUGUST 2016**

	Note	£	2016 £
FIXED ASSETS			
Tangible assets	11		4,632,004
CURRENT ASSETS			
Debtors	12	21,771	
Cash at bank and in hand		161,147	
		<u>182,918</u>	
CREDITORS: amounts falling due within one year	13	<u>(77,922)</u>	
NET CURRENT ASSETS			<u>104,996</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,737,000</u>
Defined benefit pension scheme liability	20		(115,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>4,622,000</u></u>
FUNDS OF THE ACADEMY			
Restricted income funds:			
Restricted income funds	15	51,929	
Restricted fixed asset funds	15	4,632,004	
		<u>4,683,933</u>	
Restricted income funds excluding pension liability			
Pension reserve		<u>(115,000)</u>	
Total restricted income funds			4,568,933
Unrestricted income funds	15		53,067
TOTAL FUNDS			<u><u>4,622,000</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 21 November 2016 and are signed on their behalf, by:


Rev B Chalkley
Trustee

The notes on pages 19 to 36 form part of these financial statements.

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL**(A company limited by guarantee)****STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2016**

		Period ended 31 August 2016 £
	Note	
Cash flows from operating activities		
Net cash provided by operating activities	17	150,245
Cash flows from investing activities:		
Dividends, interest and rents from investments		7,200
Purchase of tangible fixed assets		(28,853)
Net cash used in investing activities		(21,653)
Net gain on assets and liabilities from local authority on conversion		32,555
Net cash provided by financing activities		32,555
Change in cash and cash equivalents in the period		161,147
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	18	161,147

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

The financial statements are prepared in sterling, which is the functional currency of the academy. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Fund accounting

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

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

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

1.3 Income

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 as a single item are capitalised. A threshold of £5,000 is applied to items which are purchased as a group.

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

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

Long-term leasehold property	-	125 years straight line
Fixtures and fittings	-	5% Straight line
Computer equipment	-	33% Straight line

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.7 Interest receivable

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

1.8 Operating leases

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

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, 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.

1.15 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Holy Innocents Catholic Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 19.

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016****1. ACCOUNTING POLICIES (continued)****1.16 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

Depreciation

The academy exercises judgement to determine useful lives and residual values of property, plant and equipment. The assets are depreciated down to their residual values over their estimated useful lives.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Donations	17,248	-	-	17,248
Capital grant	-	-	12,714	12,714
LGPS - on conversion	-	(63,000)	-	(63,000)
Donation on conversion	32,555	-	4,625,000	4,657,555
	<u>49,803</u>	<u>(63,000)</u>	<u>4,637,714</u>	<u>4,624,517</u>

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
DfE/EFA grants			
General Annual Grant	-	1,292,066	1,292,066
Pupil premium	-	35,200	35,200
Rates relief	-	4,783	4,783
Sports funding	-	12,590	12,590
Infant Free School Meals	-	52,821	52,821
	-	1,397,460	1,397,460
Other government grants			
Bulge class funding	-	15,917	15,917
Teachers insurance cover	-	21,066	21,066
High needs SEN	-	25,432	25,432
Additional funding	-	2,830	2,830
	-	65,245	65,245
	-	1,462,705	1,462,705

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Catering income	-	40,031	40,031
Hire of facilities	6,996	-	6,996
Educational visits and school clubs	13,436	-	13,436
	20,432	40,031	60,463

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Interest receivable	204	-	204

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016****6. CHARITABLE ACTIVITIES**

	Total funds 2016 £
DIRECT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	807,348
National insurance	27,375
Pension cost	106,275
Educational supplies	40,251
Staff development	8,753
Staff related insurance	5,473
Other direct costs	811
Educational consultancy	55,012
Technology costs	5,348
	1,056,646
SUPPORT COSTS - EDUCATIONAL OPERATIONS	
Wages and salaries	88,279
National insurance	5,811
Pension cost	23,783
Depreciation	21,849
Recruitment costs	5,341
Maintenance of premises	30,976
Energy	23,495
Rates and water	8,218
Cleaning	21,742
Other support costs	10,955
Maintenance of equipment	8,080
Catering	90,864
Security and transport	1,204
Technology costs	19,231
Insurance	10,156
Legal and professional	24,923
Audit and accountancy	9,900
Bank charges	64
	404,871
	1,461,517

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016****7. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £
Expenditure on fundraising trading	-	-	17,372	17,372
Educational operations:				
Direct costs	940,998	-	115,648	1,056,646
Support costs	117,874	84,431	202,566	404,871
	<u>1,058,872</u>	<u>84,431</u>	<u>335,586</u>	<u>1,478,889</u>

In 2016, of the total expenditure, £17,372 was to unrestricted funds and £1,437,408 was to restricted funds.

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	Period ended 31 August 2016 £
Depreciation of tangible fixed assets:	
- owned by the charity	21,849
Auditor's remuneration - audit	7,750
Auditor's remuneration - other services	1,550
Operating lease rentals	<u>765</u>

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

9. STAFF COSTS

Staff costs were as follows:

	Period ended 31 August 2016 £
Wages and salaries	827,263
Social security costs	33,186
Operating costs of defined benefit pension schemes	130,059
	990,508
Supply teacher costs	68,364
	1,058,872

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

	Period ended 31 August 2016 No.
Teachers	17
Administration & support	24
Management	1
	42

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

	Period ended 31 August 2016 No.
In the band £60,001 - £70,000	1

Pension contributions for the 17 month period totalled £14,316 in relation to this employee.

The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy in the 17 month period was £104,828.

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016****10. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Head Teacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits in the 17 month period was as follows:

		Period ended 31 August 2016 £
R Langford	Remuneration	100,000-105,000
	Pension contributions paid	10,000-15,000
Miss C Hollands	Remuneration	65,000-70,000
	Pension contributions paid	10,000-15,000

During the period, no Trustees received any reimbursement of expenses.

11. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
Additions	4,625,000	24,218	4,635	4,653,853
At 31 August 2016	4,625,000	24,218	4,635	4,653,853
Depreciation				
Charge for the period	19,108	1,211	1,530	21,849
At 31 August 2016	19,108	1,211	1,530	21,849
Net book value				
At 31 August 2016	4,605,892	23,007	3,105	4,632,004

Included in leasehold property is land valued at £2,939,000 which is not depreciated.

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016****12. DEBTORS**

	2016 £
Trade debtors	1,615
VAT recoverable	7,173
Prepayments and accrued income	12,983
	<u>21,771</u>

13. CREDITORS: Amounts falling due within one year

	2016 £
Trade creditors	30,128
Accruals and deferred income	47,794
	<u>77,922</u>
	£
Deferred income	
Deferred income at 11 March 2015	-
Resources deferred during the year	23,781
	<u>23,781</u>

Deferred income relates to grant income received in advance of the financial year 2016/17.

14. FINANCIAL INSTRUMENTS

	Period ended 31 August 2016 £
Financial assets measured at amortised cost	169,935
Financial liabilities measured at amortised cost	30,128

Financial assets measured at amortised cost comprise cash and debtors, excluding prepayments and accrued income.

Financial liabilities measured at amortised cost comprise creditors, excluding accruals and deferred income.

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

15. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	-	70,439	(17,372)	-	-	53,067
Restricted funds						
General Annual Grant (GAG)	-	1,502,736	(1,434,668)	(16,139)	-	51,929
Pension reserve	-	(63,000)	(5,000)	-	(47,000)	(115,000)
	-	1,439,736	(1,439,668)	(16,139)	(47,000)	(63,071)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	-	4,637,714	(21,849)	16,139	-	4,632,004
Total restricted funds	-	6,077,450	(1,461,517)	-	(47,000)	4,568,933
Total of funds	-	6,147,889	(1,478,889)	-	(47,000)	4,622,000

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

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

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

Restricted funds comprise all other restricted funds received and include grants from the Department for Education, Local Authority and other bodies which must be applied for specific purposes.

The transfer to the restricted fixed asset fund represents the acquisition of fixed assets from GAG.

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

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	4,632,004	4,632,004
Current assets	130,989	51,929	-	182,918
Creditors due within one year	(77,922)	-	-	(77,922)
Provisions for liabilities and charges	-	(115,000)	-	(115,000)
	<u>53,067</u>	<u>(63,071)</u>	<u>4,632,004</u>	<u>4,622,000</u>

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

	Period ended 31 August 2016 £
Net income for the year (as per Statement of financial activities)	4,669,000
Adjustment for:	
Depreciation charges	21,849
Dividends, interest and rents from investments	(7,200)
Increase in debtors	(21,771)
Increase in creditors	77,922
Defined benefit pension scheme obligation inherited	63,000
Defined benefit pension scheme cost less contributions payable	5,000
Assets from local authority on conversion	(4,657,555)
Net cash provided by operating activities	<u>150,245</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Period ended 31 August 2016 £
Cash in hand	161,147
Total	<u>161,147</u>

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

(A company limited by guarantee)

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

19. CONVERSION TO AN ACADEMY TRUST

On 1 April 2015 Holy Innocents School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Holy Innocents Catholic Primary School from London Borough of Bromley for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	4,625,000	4,625,000
Budget surplus on LA funds	32,555	-	-	32,555
LGPS pension (deficit)	-	(63,000)	-	(63,000)
Net assets/(liabilities)	32,555	(63,000)	4,625,000	4,594,555

The above net assets include £32,555 that was transferred as cash.

The school property has been licensed from the Southwark Roman Catholic Diocesan Corporation under a Church Supplemental Agreement dated 1 April 2015.

20. 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 London Borough of Bromley. Both are Multi-employer defined benefit pension schemes.

As described in note 19 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

20. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £31,217.

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.

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016****20. PENSION COMMITMENTS (continued)****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 period ended 31 August 2016 was £71,000, of which employer's contributions totalled £57,000 and employees' contributions totalled £14,000. The agreed contribution rates for future years are 24.3% for employers and 6.5% for employees.

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

Principal actuarial assumptions:

	2016
Discount rate for scheme liabilities	2.20 %
Rate of increase in salaries	3.40 %
Rate of increase for pensions in payment / inflation	2.00 %
Inflation assumption (CPI)	1.90 %

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

	2016
Retiring today	
Males	23.2
Females	25.6
Retiring in 20 years	
Males	25.5
Females	28.5

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

	Fair value at 31 August 2016 £
Equities	94,000
Other bonds	20,000
Cash/liquidity	1,000
Other	11,000
Total market value of assets	126,000

The actual return on scheme assets was £12,000.

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016****20. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	Period ended 31 August 2016 £
Current service cost (net of employee contributions)	(60,000)
Actual return on scheme assets	12,000

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

	Period ended 31 August 2016 £
Upon conversion	108,000
Current service cost	60,000
Interest cost	4,000
Contributions by employees	14,000
Actuarial losses	55,000
Closing defined benefit obligation	241,000

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

	Period ended 31 August 2016 £
Upon conversion	45,000
Return on plan assets (excluding net interest on the net defined pension liability)	4,000
Actuarial gains and (losses)	8,000
Contributions by employer	57,000
Contributions by employees	14,000
Administration expenses	(2,000)
Closing fair value of scheme assets	126,000

HOLY INNOCENTS CATHOLIC PRIMARY SCHOOL

(A company limited by guarantee)

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

21. OPERATING LEASE COMMITMENTS

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

	2016
	£
Amounts payable:	
Within 1 year	765

22. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.