

**REPORT OF THE GOVERNORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 AUGUST 2016
FOR
MOUNT ST MARY'S**

**REGISTERED COMPANY NUMBER: 05884126 (England and Wales)
REGISTERED CHARITY NUMBER: 1117998**

Heywood Shepherd
Chartered Accountants
Statutory Auditors
1 Park Street
Macclesfield
Cheshire
SK11 6SR

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FOR THE YEAR ENDED 31 AUGUST 2016**

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**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2016**

The Governors who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2016. The Governors have adopted the provisions of 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) (effective 1 January 2015).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
05884126 (England and Wales)

Registered Charity number
1117998

Registered office
Mount St Mary's College
Spinkhill
Derbyshire
S21 3YL

Governors

Rev M Beattie SJ	
Mr R C Gilbert	- resigned 10/3/16
Mrs J M Bolton	
Mr J G McNally	
Mr J Ridley	- resigned 23/6/16
Fr A Porter SJ	
Fr J Twist SJ	
Mr M O'Hara	
Dr L P Merrick	
Mr G J Smith	- appointed 10/9/15
Mr J Dickson	- appointed 10/9/15
Professor M J M Staub	- appointed 10/9/15
Mr C P Emmott	- appointed 10/9/15
	- resigned 6/5/16

Headmaster - Mount St Mary's College and CEO of the Trust: Mr N Cuddihy
Head Teacher - Barlborough Hall School: Mr N Boys

Senior Statutory Auditor
Mr N A Kennington

Auditors

Heywood Shepherd
Chartered Accountants
Statutory Auditors
1 Park Street
Macclesfield
Cheshire
SK11 6SR

Solicitors

DLA Piper UK LLP
1 St. Paul's Place
Sheffield
S1 2JX

MOUNT ST MARY'S

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2016**

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Stone King Sewell Solicitors Limited
13 Queen Street
Bath
BA1 2HJ

Weightmans LLP
The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

Bankers

National Westminster Bank plc
5 Market Place
Chesterfield
Derbyshire
S40 1TY

Investment Advisers

Rathbones Investment Management Limited
159 New Bond Street
London
W1S 2UD

Insurance Brokers

Bluefin
Applicon House
Exchange Street
Stockport
SK3 0EY

Property Agents

Stanton Mortimer
Estate Office
Swinton
Masham
Ripon
North Yorkshire
HG4 4JH

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Trust is a charitable company, limited by guarantee, which was incorporated on 21st July 2006 and is registered on the Register of Charities, registration number 1117998. The Company was established under a Memorandum of Association, which sets out its objectives and powers, and it is governed under its Articles of Association.

Governing body

The Governing Body consists of three Foundation Members, appointed by the Society of Jesus Trustee, and between nine and thirteen governors, appointed by the Foundation Members at their annual general meeting. The Governors are the charity trustees have control of the charity and its property and funds.

Recruitment and training of governors

Governors are appointed by the Members in general meeting.

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT**Group Structure and Relationships**

Mount St. Mary's has a wholly owned non-charitable subsidiary, Mount Conferences Limited, whose activities and trading performance are discussed in this report.

Mount St. Mary's actively supports the attainment of the highest standards in the Independent Schools sector through networking with other major schools and various associations and conferences within the sector. Mount St. Mary's co-operates with numerous charities and community organisations to widen access to the schools' cultural and sporting facilities for the general public. The schools also benefit from the support of an extensive network of Mountaineers and parents whose contribution to the schools' activities and growth are gratefully acknowledged.

Organisational management

The Governors are legally responsible for the overall management and control of the Trust and its schools. They meet at least three times a year. The Board of Governors works through a number of committees that meet prior to full Board Meetings and also on a regular basis during the year to deal with the schools' affairs. The following committees are currently in place:

Education and Pastoral Committee
Finance and Personnel Committee
Bursary Committee

The Headmaster of Mount St Mary's College, Dr N Cuddihy, is in overall charge of the day to day running of both schools and the trading subsidiary, with the assistance of Mr N Boys as Head Teacher of Barlborough Hall School. The two heads, Bursar and Deputy Head from the College form an Executive Management Team. The Headmaster, Head Teacher, Bursar and other senior staff attend governors' committee meetings where appropriate.

Induction and training of new Governors

New Governors are inducted into the workings of the Trust and its schools, including Board Policy and Procedures, by the Chairman, Bursar and Headmaster.

Related parties

The Trust also has an association through common Governors with Mount St Mary's Charitable Fund which provides for bursaries for the school.

OBJECTIVES AND ACTIVITIES**Charitable Objects**

The objects of the Trust are to advance the Roman Catholic religion by the conduct of a Roman Catholic school, or schools, and by ancillary religious and educational activities for the benefit of the community at large.

Aims and intended impact

Our aim is to provide a first class Jesuit education in the two schools, characterised by academic excellence, a broad curriculum with a varied extra-curricular programme, strong pastoral care, outstanding religious formation, offering pupils and staff a vision of education that has a global perspective, through the international network of Jesuit schools, and a consistent focus on individual needs and gifts.

By the end of their time in Mount St. Mary's College and Barlborough Hall School it is our aim that our young people will be:

- developing and deepening a relationship with God, and able to find God in reflection on their own experience; happy, friendly, and self-confident, with a sense of humour and an awareness of their God-given gifts and the need to fulfil their potential for good;
 - seen to have a generosity of spirit and a readiness to place their talents at the disposal of others, especially the most needy;
 - in the process of deepening their understanding of who Christ is and of living out their faith more fully;
 - well prepared to take their place in wider society unmotivated by prestige or selfish ambition and aware of how fully they can contribute to the common good;
 - ready to ask 'What more can I do, what more can I give?' in every area of life; and
 - proud of having belonged to a Jesuit school community with respect for its values and those who taught them.
-

MOUNT ST MARY'S**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2016****OBJECTIVES AND ACTIVITIES****Public benefit**

In the provision of its charitable objectives Mount St Mary's Trust meets the public benefit requirements of the Charity Commission. In setting objectives the Governors have also given careful consideration to the Charity Commission's general guidance on public benefit.

The Trust continues to make the schools accessible to children whose family finances would otherwise exclude them through bursaries.

The Trust continues to encourage the use of the facilities available at the schools by the local community and other third parties at subsidised rates. Furthermore, our chaplaincy provision continues to flourish, enhancing the practice of the schools in line with our object of "advancing the Catholic religion" through our Jesuit identity and mission.

STRATEGIC REPORT**Achievement and performance***Activities in the year*

This year will be remembered at the Mount as a year of growth and improvement with continuing development in all areas.

Several measures have been put in place to address weaknesses in each examination year group, including the abolition of study leave and instead remaining in supervised study in preparation for exams. Academic mentors were appointed from middle and senior leadership to monitor and support students who were identified as underperforming.

These measures have worked well during the year. There have been further strategic and structural changes to enhance this support model including the development of the Cover Supervisor role and more flexible and targeted intervention groups for English and Maths.

Mission

The principal focus and mission of the Trust is to deliver a first class education based upon the educational principles of the Society of Jesus. This is in line with the charitable objects of the Trust referred to above.

We proudly embrace the guiding principles of the Catholic faith and the Jesuit approach to teaching and learning. These core values have stood the test of time, they are simple, effective and universal:-

- " Cura Personalis - Care for the whole person, attention is paid to every aspect of a pupil's growth and development,
- " The Magis - The pursuit of excellence, we ask the best of everyone, across the school community, in all things,
- " Integrity - We are honest, have strong moral principles and a faith-based values system,
- " Maturity - A child's journey towards independence and responsibility is our focus from the moment they join us,
- " Holistic Education - Time, space and energy is devoted to the spiritual, intellectual, emotional, creative and physical formation of each pupil,
- " Sharing joy - Jesuit schools pioneered prize-giving. The pursuit of excellence yields success and achievement and we celebrate pupil accomplishments every week,
- " Gratitude - Giving thanks for all that is good in our lives, at school and beyond develops a spirit of appreciation.

Academic

Our academic results continued their positive trend and grew to 19% grade A*-A and 61% grade A*-C at A Level and almost 85% grade A*-Cat GCSE. At 70.4% the A*-C pass rate has increased significantly on last year's 56.6% A*-C. The A*-E pass rate has also improved from 80.3% to 98.7%. Although this year's results are a considerable improvement, the focus is to ensure the results outstrip the national average in the future. At 83.1% A*-C the GCSE results for 2016 were 1.5% above the national average. This also bucks the national trend of a downturn in results. Overall we increased the student role by 15% from Nursery to the 6th Form.

With a large number on the role there was a noticeable increase in participation in extra-curricular activities. The College matched the growth in participation with investment in coaching and other resources to ensure that our musicians, sports teams and others reaped the benefit of the growing numbers and fee income. Particular highlights this year include:-

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2016**

STRATEGIC REPORT**Academic**

- " The Music Tour to Rome with over a group of over 200 travelling and an unforgettable concert in St Peter's basilica,
- " A full fixture list and success on the pitch in a wide variety of sport for boys and girls from Prep through to 6th Form,
- " Growing numbers of students getting involved in the Duke of Edinburgh and CCF.

After struggling somewhat during 2013-14 and 2015 we can confirm that Mount St Marys is certainly in a growth phase. A very significant increase in attendance at Open Days has been followed by similar increases in registrations and admissions enquiries this year suggesting this trend will continue during 2017, our Mount 175 year, a year full of promises.

Sports and extra-curricular activities

The sports and extra-curricular programme across the trust is slowly being re-established and strengthened in an extremely positive way. Belief is beginning to emerge again in our product offering and people are once again starting to come on board. We still need to continue with the proactive approach whilst taking the appropriate time to reflect and evaluate.

The opportunity exists to transmit the Jesuit Ethos through the sports and extra-curricular programme across the Trust daily. Sport plays an extremely powerful part in the development of the 'whole person' incorporating the values and virtues of the Jesuit Pupil Profile which articulates the education and formation offered in a Jesuit school.

Looking ahead to September 2016 as part of a cross campus sports restructure, we started the new year with a streamlined sports department with clearly defined roles. The specialised coaching model is made possible via the strong links and partnerships that have been made with various organisations that are supporting us in different ways. In addition to this, the re-establishment of the Gap Year Programme with students from Australia has helped provide continuity to the wider enrichment programme across the school.

It has been a great year for celebrating sport across the Trust, with success at individual and team levels. The forthcoming Mount 175 period of growth is something to look forward to in the area of sporting activities with a re-established cricket programme after a 3 year absence and investment in the revitalisation of facilities and introduction of specialist coaches across sporting activities has been key.

Other highlights for the year include rugby and hockey training camps, the sporting excellence programme and a new cross campus swim programme. Other cross campus initiatives include cross country, dance, fencing, archery and shooting.

There still needs to be capital investment and continued work as part of the ongoing maintenance programme of the stadium. Sport across the Trust is now starting to pull together the building blocks for a capital investment programme leading into Mount 400 that will support the growth in student numbers and reaffirm the Mount as a venue of sporting excellence.

From a Marketing and Communications perspective, some simple steps have been taken to improve the sports function including the introduction of Scoop (Trust Sports Round up), @TheMount twitter (350 approx followers) and the introduction of sport@msmcollege.com as a one stop shop for commercial overlap and key sporting events and communications.

Investment performance

The total market value of the share investments managed by Rathbones increased from £1,527,932 to £1,725,705 an increase of £197,773 over the 12 months. The growth of listed investments comprising UK and overseas equity and debt is £163,078 (£1,667,278 2016 and £1,504,200 2015).

Internal and external factors

There has been significant curriculum reform at the national level over the last two years. This has involved the move from modular to linear A-Level programmes and reforms of the GCSE course and their methods of grading.

Academic Subject Leaders have been modifying and tailoring their Key Stage 3 provision to account for these changes and prepare students for their examination course at GCSE and A-Level standard.

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2016**

STRATEGIC REPORT**Internal and external factors**

Within the College, the introduction of a Professional Development Programme for all academic staff has also facilitated change with a move to professional development targets with key performance indicators to judge success.

Financial review*Principal funding sources*

The principle funding sources for the Trust's activities comprise of fee income, investment and trading income.

Investment policy and objectives

The Governors aim to maximise the total investment return within the objectives of maintaining income, while continuing to preserve the real value of endowed funds. Currently funds are invested on the stock market, in the form of commercial bonds, UK & overseas equities. Some funds are held in bank deposits with the company's main bankers.

Financial review and results for the year

The Trust continues to return a deficit, however despite previous numbers declining, pupil numbers are currently showing considerable growth and strategic plans are in place for the Trust to return a surplus over the next few years.

Mount Conferences Limited made an operating profit of £70,395 (2015 - £46,827) which is pleasing and due to increase in lettings activities initiated from continuous growth plans.

Reserves policy

The Group has substantial unrestricted reserves, comprising buildings, land and liquid investments of £11.70m (2015 - £12.99m), which, inter alia, are being used to fund the infrastructure investment programme. It is the policy of the Governors to allow the level of liquid reserves to fluctuate over the medium term to meet the investment and operating needs of the Trust whilst maintaining sufficient reserves to enable the Trust always to be in a position to meet its liabilities. The deficit for the Trust after gains and losses on investments amounted to £1,284,339 (2015 - deficit £1,142,280).

Future plans

The Governors strategic plans to improve the recovery and growth at the Mount under the Strategic Action Plan known as Mount 400 covering short to longer term goals are well underway.

The plan is to improve the Mount's brand and grow the pupil numbers over the next couple of years which will be a significant improvement in numbers from a couple of years ago.

The key areas initially are Communication, Teaching and Learning, and the improvement of the Facilities, via the promotion of the Jesuit identity and values, curriculum development and improved facilities in ICT, Music and the Arts, and Sport.

**REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 AUGUST 2016**

STATEMENT OF GOVERNORS RESPONSIBILITIES

The Governors (who are also the directors of Mount St Mary's for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the Governors are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

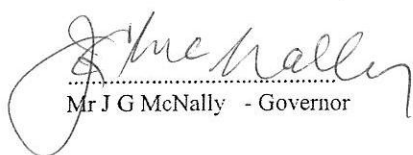
In so far as the Governors are aware:

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

AUDITORS

The auditors, Heywood Shepherd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the Governors, incorporating a strategic report, approved by order of the board of Governors, as the company directors, on 24 May 2017 and signed on the board's behalf by:


Mr J G McNally - Governor

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MOUNT ST MARY'S

We have audited the group and parent charity financial statements of Mount St Mary's for the year ended 31 August 2016 on pages eleven to thirty three. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Governors and auditors

As explained more fully in the Statement of Governors Responsibilities set out on page seven, the Governors (who are also the directors of the charitable company 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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Governors 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 group and parent charitable company's affairs as at 31 August 2016 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

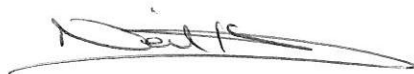
In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MOUNT ST MARY'S

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:

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



Mr N A Kennington (Senior Statutory Auditor)
for and on behalf of Heywood Shepherd
Chartered Accountants
Statutory Auditors
1 Park Street
Macclesfield
Cheshire
SK11 6SR

Date: 24 May 2017

MOUNT ST MARY'S

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

		Unrestricted fund £	Restricted funds £	2016 Total funds £	2015 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	30,296	15,050	45,346	86,178
Charitable activities	5				
School fees		5,343,126	-	5,343,126	4,851,430
Other trading activities	3	492,198	-	492,198	457,624
Investment income	4	114,717	-	114,717	154,401
Other income		-	-	-	6,240
Total		5,980,337	15,050	5,995,387	5,555,873
EXPENDITURE ON					
Raising funds	6	368,695	-	368,695	437,811
Charitable activities	7				
Teaching		3,464,047	15,070	3,479,117	3,219,939
Welfare		855,187	-	855,187	648,908
Premises		1,332,772	-	1,332,772	1,242,054
Support costs		1,406,266	-	1,406,266	1,094,493
Total		7,426,967	15,070	7,442,037	6,643,205
Net gains/(losses) on investments		162,311	-	162,311	(54,947)
NET INCOME/(EXPENDITURE)		(1,284,319)	(20)	(1,284,339)	(1,142,279)
RECONCILIATION OF FUNDS					
Total funds brought forward		12,988,623	15,063	13,003,686	14,145,965
TOTAL FUNDS CARRIED FORWARD		11,704,304	15,043	11,719,347	13,003,686

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

MOUNT ST MARY'S

CONSOLIDATED BALANCE SHEET
AT 31 AUGUST 2016

		Group		Charity	
	Notes	2016 £	2015 £	2016 £	2015 £
FIXED ASSETS					
Tangible assets	13	10,898,175	11,001,080	10,884,330	10,987,355
Heritage assets	14	1,867,352	1,867,352	1,867,352	1,867,352
Investments	15	1,737,999	1,540,226	1,738,001	1,540,228
		<u>14,503,526</u>	<u>14,408,658</u>	<u>14,489,683</u>	<u>14,394,935</u>
CURRENT ASSETS					
Stocks	16	31,831	43,918	6,873	8,171
Debtors: amounts falling due within one year	17	558,314	507,323	587,192	530,434
Cash at bank and in hand		547,746	274,051	490,278	261,880
		<u>1,137,891</u>	<u>825,292</u>	<u>1,084,343</u>	<u>800,485</u>
CREDITORS					
Amounts falling due within one year	18	(2,133,890)	(2,167,486)	(2,069,335)	(2,129,397)
NET CURRENT LIABILITIES					
		<u>(995,999)</u>	<u>(1,342,194)</u>	<u>(984,992)</u>	<u>(1,328,912)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		13,507,527	13,066,464	13,504,691	13,066,023
CREDITORS					
Amount falling due after more than one year	19	(1,788,180)	(62,780)	(1,788,180)	(62,780)
NET ASSETS					
		<u>11,719,347</u>	<u>13,003,684</u>	<u>11,716,511</u>	<u>13,003,243</u>
FUNDS					
Unrestricted funds	24	11,704,304	12,988,621	11,701,468	12,988,180
Restricted funds		15,043	15,063	15,043	15,063
		<u>11,719,347</u>	<u>13,003,684</u>	<u>11,716,511</u>	<u>13,003,243</u>

The financial statements were approved by the Board of Governors on 24 May 2017 and were signed on its behalf by:



Mr J G McNally - Governor

The notes form part of these financial statements

MOUNT ST MARY'S

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	2015 £
Cash flows from operating activities:			
Cash generated from operations	1	(942,167)	(795,061)
Interest paid		(46,233)	(26,814)
Interest element of hire purchase and finance lease rental payments		<u>(1,063)</u>	<u>(2,357)</u>
Net cash provided by (used in) operating activities		<u>(989,463)</u>	<u>(824,232)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(289,248)	(347,972)
Purchase of fixed asset investments		(153,328)	(95,867)
Sale of tangible fixed assets		-	6,390
Sale of fixed asset investments		117,864	1,521,494
Interest received		290	215
Dividends received		<u>61,733</u>	<u>103,116</u>
Net cash provided by (used in) investing activities		<u>(262,689)</u>	<u>1,187,376</u>
Cash flows from financing activities:			
Rathbones loan		(197,107)	(177,860)
Loan repayments in year		(54,600)	(54,600)
TRCP loan		1,780,000	-
Finance lease repayments in year		<u>(2,446)</u>	<u>(21,255)</u>
Net cash provided by (used in) financing activities		<u>1,525,847</u>	<u>(253,715)</u>
Change in cash and cash equivalents in the reporting period		<u>273,695</u>	<u>109,429</u>
Cash and cash equivalents at the beginning of the reporting period		<u>274,051</u>	<u>164,623</u>
Cash and cash equivalents at the end of the reporting period		<u>547,746</u>	<u>274,052</u>

The notes form part of these financial statements

MOUNT ST MARY'S

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM
OPERATING ACTIVITIES

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,284,339)	(1,142,279)
Adjustments for:		
Depreciation charges	392,155	392,092
(Gain)/losses on investments	(162,311)	54,947
Profit on disposal of fixed assets	-	(6,240)
Interest received	(290)	(215)
Interest paid	46,233	26,814
Interest element of hire purchase and finance lease rental payments	1,063	2,357
Dividends received	(61,733)	(103,116)
Decrease/(increase) in stocks	12,087	(23,282)
Increase in debtors	(50,991)	(131,257)
Increase in creditors	<u>165,959</u>	<u>135,118</u>
Net cash provided by (used in) operating activities	<u>(942,167)</u>	<u>(795,061)</u>

MOUNT ST MARY'S

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**1. ACCOUNTING POLICIES****Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with applicable accounting standards the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

Governance costs comprise the costs of running the Trust, including audit and legal advice and the costs of complying with constitutional and statutory requirements.

Allocation and apportionment of costs**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 40% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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 - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES - continued**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Governors.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The Trust contributes to the Teachers Superannuation Scheme, which is a defined benefit scheme. Contributions are charged in the statement of financial activities so as to spread the cost of the pension over the employees working lives with the schools.

The Trust also operates defined contribution pension schemes for its non-teaching staff. Contributions payable to the pension scheme are charged to the statement of financial activities in the period to which they relate.

The Trust participates in the Teachers' Pension Scheme (TPS) which is a defined benefit scheme. The assets of the scheme are held separately from those of the Trust.

The TPS is a unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on a basis of quinquennial valuations using a prospective benefit method. As stated in note 24 the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

A group money purchase scheme (defined contribution scheme) is open to all for non-teaching staff members. Minimum contributions of 3% are matched by the Trust.

The Trust also started a new pension scheme with Nest pensions to meet its auto-enrolment responsibilities.

All contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

Heritage assets

The Trust holds heritage assets relating to Barlborough Hall School and park, which are Grade I and Grade II listed respectively. The Hall was built as a private residence in 1583/4 since when it has been subject to alterations and additions with the principal outbuildings erected in the mid 17th century. Since 1939 the buildings have been adapted and extended for use for educational purposes.

The valuation is based upon a survey done by property consultants Lambert Smith Hampton on 31 July 2005 for its existing use and market values. In the opinion of the Governors' there has been no change to this valuation.

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

2. DONATIONS AND LEGACIES

	2016	2015
	£	£
Donations	26,811	10,946
Sundry income	18,535	36,563
Grants	-	38,669
	<u>45,346</u>	<u>86,178</u>

Grants received, included in the above, are as follows:

	2016	2015
	£	£
English Heritage	<u>-</u>	<u>38,669</u>

3. OTHER TRADING ACTIVITIES

The Charity owns the whole of the share capital of Mount Conferences Limited, which provides leisure and letting facilities and sells goods relating to the Schools. Its trading results for the year, as extracted from the audited accounts, are summarised below, together with the School's own results for the year to distinguish them from the group results in the consolidated Statement of Financial Activities:

	Subsidiary 2016 £	Subsidiary 2015 £	Charity 2016 £	Charity 2015 £
Turnover and fee income	492,198	457,624	5,343,126	4,851,430
Cost of sales: subsidiary	<u>(130,120)</u>	<u>(118,305)</u>		
Gross profit: subsidiary	362,078	339,319		
Administration: subsidiary	<u>(291,683)</u>	<u>(298,732)</u>		
Other income	-	6,240	45,346	86,178
Investment income receivable	<u>-</u>	<u>-</u>	<u>114,717</u>	<u>154,401</u>
Net (deficit)/surplus for year	70,395	46,827	5,503,189	5,092,009
Gift aid donation	<u>(68,000)</u>	<u>(25,000)</u>	<u>68,000</u>	<u>25,000</u>
Gross incoming resources: charity			5,571,189	5,117,009
Costs of charitable activities			<u>(6,911,031)</u>	<u>(6,260,342)</u>
Retained (deficit)/surplus	<u>2,395</u>	<u>21,827</u>	<u>(1,339,842)</u>	<u>(1,143,333)</u>

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

4. INVESTMENT INCOME

	2016	2015
	£	£
Rents received	52,694	51,070
Dividends and interest	61,733	103,116
Deposit account interest	290	215
	<u>114,717</u>	<u>154,401</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	2016	2015
	£	£
The Schools' fee income comprised:		
Gross fees	6,354,945	5,351,346
Deduct: fee remissions	966,622	481,188
agency costs	60,197	33,728
	<u>5,328,126</u>	<u>4,836,430</u>
Add back: bursaries paid for by restricted funds	15,000	15,000
	<u>5,343,126</u>	<u>4,851,430</u>

6. RAISING FUNDS

Other trading activities

	2016	2015
	£	£
Purchases	126,041	118,305
Administration costs	227,679	293,747
Depreciation	3,807	4,985
	<u>357,527</u>	<u>417,037</u>

Investment management costs

	2016	2015
	£	£
Investment advice	<u>11,168</u>	<u>20,774</u>

Aggregate amounts	<u>368,695</u>	<u>437,811</u>
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016

7. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 8)	Totals
	£	£	£
Teaching	3,479,117	-	3,479,117
Welfare	855,187	-	855,187
Premises	1,332,772	-	1,332,772
Support costs	<u>1,282,878</u>	<u>123,388</u>	<u>1,406,266</u>
	<u>6,949,954</u>	<u>123,388</u>	<u>7,073,342</u>

ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs	Other costs	Dep'n	Total 2016	Total 2015
	£	£	£	£	£
Trading costs of the subsidiary	206,095	158,793	3,807	368,695	417,037
Teaching	3,325,827	84,318	68,972	3,479,117	3,219,795
Welfare	596,236	258,951	-	855,187	648,908
Premises	195,528	817,870	319,374	1,332,772	1,242,054
Support costs of schooling	<u>467,840</u>	<u>938,281</u>	<u>-</u>	<u>1,406,121</u>	<u>1,078,588</u>
	4,791,526	2,258,213	392,153	7,441,892	6,606,382
Grants, awards and prizes	<u>-</u>	<u>145</u>	<u>-</u>	<u>145</u>	<u>145</u>
	4,791,526	2,258,358	392,153	7,442,037	6,606,527
Governance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,679</u>
Total	<u>4,791,526</u>	<u>2,258,358</u>	<u>392,153</u>	<u>7,442,037</u>	<u>6,643,206</u>
Total resources expended group	<u>4,791,526</u>	<u>2,258,358</u>	<u>392,153</u>	<u>7,442,037</u>	<u>6,643,061</u>
Total resources expended charity	<u>4,585,431</u>	<u>2,099,565</u>	<u>388,346</u>	<u>7,073,342</u>	<u>6,226,169</u>

8. SUPPORT COSTS

	Governance costs
	£
Support costs	<u>123,388</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016**

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015
	£	£
Auditors' remuneration	8,000	7,800
Other non-audit services	13,844	7,002
Depreciation - owned assets	392,153	386,158
Depreciation - assets on hire purchase contracts and finance leases	-	5,934
Surplus on disposal of fixed asset	-	(6,240)
	<u>-</u>	<u>(6,240)</u>

10. GOVERNORS' REMUNERATION AND BENEFITS

There were no Governors' remuneration or other benefits for the year ended 31 August 2016 nor for the year ended 31 August 2015.

Governors' expenses

There were Governors' expenses of £112 (2015 - £519) paid for in the year.

MOUNT ST MARY'S

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

11. STAFF COSTS

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Wages and salaries	3,934,148	3,631,861	3,743,463	3,417,130
Social security costs	312,783	266,196	303,044	260,950
Other pension costs	544,595	316,106	538,924	313,627
	<u>4,791,526</u>	<u>4,214,163</u>	<u>4,585,431</u>	<u>3,991,707</u>

The average number of employees during the year was as follows:

	2016 No.	2015 No.
Teaching staff	98	88
Welfare	45	46
Premises and grounds	11	11
Administration	<u>17</u>	<u>15</u>
	<u>171</u>	<u>160</u>

Neither the Governors nor persons connected with them received any remuneration or other benefits from the College or any connected organisation.

The number of employees whose emoluments, including benefits in kind, exceeded £60,000 were:-

	2016 No.	2015 No.
£60,000 - £70,000	-	-
£70,001 - £80,000	-	1
£80,001 - £90,000	<u>1</u>	<u>-</u>

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	22,509	63,669	86,178
Charitable activities			
School fees	4,851,430	-	4,851,430
Other trading activities	457,624	-	457,624
Investment income	154,401	-	154,401
Other income	<u>6,240</u>	<u>-</u>	<u>6,240</u>
Total	5,492,204	63,669	5,555,873

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted fund £	Restricted funds £	Total funds £
EXPENDITURE ON			
Raising funds	437,811	-	437,811
Charitable activities			
Teaching	3,204,487	15,452	3,219,939
Welfare	648,908	-	648,908
Premises	1,156,525	85,529	1,242,054
Support costs	1,094,493	-	1,094,493
Total	6,542,224	100,981	6,643,205
Net gains/(losses) on investments	(54,947)	-	(54,947)
NET INCOME/(EXPENDITURE)	(1,104,967)	(37,312)	(1,142,279)
RECONCILIATION OF FUNDS			
Total funds brought forward	14,093,589	52,376	14,145,965
TOTAL FUNDS CARRIED FORWARD	12,988,622	15,064	13,003,686

MOUNT ST MARY'S

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

13. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 September 2015	11,793,509	1,563,026	69,783
Additions	<u>135,882</u>	<u>95,976</u>	<u>-</u>
At 31 August 2016	<u>11,929,391</u>	<u>1,659,002</u>	<u>69,783</u>
DEPRECIATION			
At 1 September 2015	1,588,390	1,036,609	69,783
Charge for year	<u>210,086</u>	<u>109,288</u>	<u>-</u>
At 31 August 2016	<u>1,798,476</u>	<u>1,145,897</u>	<u>69,783</u>
NET BOOK VALUE			
At 31 August 2016	<u>10,130,915</u>	<u>513,105</u>	<u>-</u>
At 31 August 2015	<u>10,205,119</u>	<u>526,417</u>	<u>-</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2015	365,825	1,005,377	14,797,520
Additions	<u>-</u>	<u>57,390</u>	<u>289,248</u>
At 31 August 2016	<u>365,825</u>	<u>1,062,767</u>	<u>15,086,768</u>
DEPRECIATION			
At 1 September 2015	349,454	752,204	3,796,440
Charge for year	<u>4,086</u>	<u>68,693</u>	<u>392,153</u>
At 31 August 2016	<u>353,540</u>	<u>820,897</u>	<u>4,188,593</u>
NET BOOK VALUE			
At 31 August 2016	<u>12,285</u>	<u>241,870</u>	<u>10,898,175</u>
At 31 August 2015	<u>16,371</u>	<u>253,173</u>	<u>11,001,080</u>

Included in the above are the subsidiary's net book assets of £9,900 in Motor vehicles, £280 in Plant and machinery and £3,665 in Computer equipment.

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

13. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under finance leases are as follows:

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 September 2015	18,666	46,544	65,210
Transfer to ownership	<u>(18,666)</u>	<u>(46,544)</u>	<u>(65,210)</u>
At 31 August 2016	-	-	-
DEPRECIATION			
At 1 September 2015	11,018	40,512	51,530
Transfer to ownership	<u>(11,018)</u>	<u>(40,512)</u>	<u>(51,530)</u>
At 31 August 2016	-	-	-
NET BOOK VALUE			
At 31 August 2016	-	-	-
At 31 August 2015	<u>7,648</u>	<u>6,032</u>	<u>13,680</u>

14. HERITAGE ASSETS

	Total £
MARKET VALUE	
At 1 September 2015 and 31 August 2016	<u>1,867,352</u>
NET BOOK VALUE	
At 31 August 2016	<u>1,867,352</u>
At 31 August 2015	<u>1,867,352</u>

15. FIXED ASSET INVESTMENTS

	2016 £	2015 £
Shares	1,725,705	1,527,932
Other	<u>12,294</u>	<u>12,294</u>
	<u>1,737,999</u>	<u>1,540,226</u>

Additional information as follows:

MOUNT ST MARY'S

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

15. FIXED ASSET INVESTMENTS - continued

	Listed investments £	Cash and settlements pending £	Totals £
MARKET VALUE			
At 1 September 2015	1,504,200	23,732	1,527,932
Additions	118,633	34,695	153,328
Disposals	(77,564)	-	(77,564)
Revaluations	122,009	-	122,009
At 31 August 2016	<u>1,667,278</u>	<u>58,427</u>	<u>1,725,705</u>
NET BOOK VALUE			
At 31 August 2016	<u>1,667,278</u>	<u>58,427</u>	<u>1,725,705</u>
At 31 August 2015	<u>1,504,200</u>	<u>23,732</u>	<u>1,527,932</u>
Analysis of listed investments			
	2016 £	2015 £	
Group:-			
Fixed interest			
- UK	254,729	240,144	
- Overseas	86,156	56,500	
	<u>340,885</u>	<u>296,644</u>	
Equities			
- UK	909,618	872,884	
- North America	185,386	144,550	
- Europe	61,616	57,799	
- Asia Pacific	106,060	83,873	
- Emerging Markets	63,713	48,450	
	<u>1,326,393</u>	<u>1,207,556</u>	
	<u>1,667,278</u>	<u>1,504,200</u>	
Charity:-			
As above	<u>1,667,278</u>	<u>1,504,200</u>	

There is one singular investment that exceed 5% of the total investments and that is 43,000 JP Morgan Asset Managers (UK) US Equity Income Fund at a market value of £110,811 (2015 - £86,645).

Investments (neither listed nor unlisted) were as follows:

	2016 £	2015 £
Paintings	<u>12,294</u>	<u>12,294</u>

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

15. FIXED ASSET INVESTMENTS - continued

The company's investments at the balance sheet date in the share capital of companies include the following:

Mount Conferences Limited

Nature of business: Operation of a sports and lettings facilities

Class of share:	% holding	2016	2015
Ordinary	100	£	£
Aggregate capital and reserves		2,838	443
Profit for the year		<u>2,395</u>	<u>21,827</u>
Group:-		2016	2015
Paintings		£	£
		<u>12,294</u>	<u>12,294</u>
Charity:-			
As above		12,294	12,294
Investment in subsidiary company		<u>2</u>	<u>2</u>
		<u>12,296</u>	<u>12,296</u>

16. STOCKS

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Stocks	<u>31,831</u>	<u>43,918</u>	<u>6,873</u>	<u>8,171</u>
	<u>31,831</u>	<u>43,918</u>	<u>6,873</u>	<u>8,171</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Trade debtors	452,446	397,364	376,876	230,276
Amounts due from subsidiary company	-	-	106,164	192,000
Other debtors	71,674	72,047	71,674	71,962
Tax	1,716	1,716	-	-
VAT	-	-	-	-
Prepayments	<u>32,478</u>	<u>36,196</u>	<u>32,478</u>	<u>36,196</u>
	<u>558,314</u>	<u>507,323</u>	<u>587,192</u>	<u>530,434</u>

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

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Bank loans and overdrafts (see note 19)	523,260	720,367	523,260	720,367
Finance lease (see note 20)	-	2,446	-	2,446
Trade creditors	167,029	147,134	120,949	117,718
Social security and other taxes	86,816	72,301	86,816	72,307
VAT	15,439	4,237	-	-
Other creditors	161,031	193,513	160,995	193,313
Fees in advance	945,120	832,749	945,120	832,749
Accruals and deferred income	211,859	184,203	211,859	184,203
Accrued expenses	23,336	10,536	20,336	6,300
	<u>2,133,890</u>	<u>2,167,486</u>	<u>2,069,335</u>	<u>2,129,397</u>

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

	Group 2016 £	Group 2015 £	Charity 2016 £	Charity 2015 £
Bank loan (see note 19)	8,180	62,780	8,180	62,780
Other loan (see note 20)	1,780,000	-	1,780,000	-
	<u>1,788,180</u>	<u>62,780</u>	<u>1,788,180</u>	<u>62,780</u>

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

20. LOANS

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year on demand:		
Development loan	54,600	54,600
Rathbones loan	<u>468,660</u>	<u>665,767</u>
	<u>523,260</u>	<u>720,367</u>
 Amounts falling between one and two years:		
Development loan	<u>8,180</u>	<u>54,600</u>
 Amounts falling due between two and five years:		
Development loan	-	8,180
TRCP loans - 2-5 years	<u>245,000</u>	<u>-</u>
	<u>245,000</u>	<u>8,180</u>
 Amounts falling due in more than five years:		
Repayable by instalments:		
TRCP loans more 5yrs instal	<u>1,535,000</u>	<u>-</u>

The Development loan is the remains of a 10 year loan and interest is being charged at 1% above The Nat West Bank Plc base rate.

The Rathbone loan is repayable on demand and is due to be reviewed on 30th September 2017 and interest is being charged at 2.5% above Barclays Bank Plc base rate.

The loan from TRCP is to be repaid in quarterly instalments from 30th November 2019 and interest is being charged at 1.5% above The Bank of England base rate.

21. LEASING AGREEMENTS

	Finance leases	
	2016 £	2015 £
Net obligations repayable:		
Within one year	<u>-</u>	<u>2,446</u>

MOUNT ST MARY'S

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

22. SECURED DEBTS

The following secured debts are included within creditors:

	2016 £	2015 £
Other loans	1,780,000	-
Finance leases	-	2,446
Rathbone loan	<u>468,659</u>	<u>665,767</u>
	<u>2,248,659</u>	<u>668,213</u>

The Rathbone loan is secured on the investment portfolio held by Rathbones.

The loan from TRCP as at 31 August 2016 of £1,780,000 is secured on the properties of Mount St Mary's Trust.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted funds £	2016 Total funds £	2015 Total funds £
Fixed assets	12,765,527	-	12,765,527	12,868,432
Investments	1,737,999	-	1,737,999	1,540,226
Current assets	1,122,848	15,043	1,137,891	825,292
Current liabilities	(2,133,890)	-	(2,133,890)	(2,167,484)
Long term liabilities	<u>(1,788,180)</u>	<u>-</u>	<u>(1,788,180)</u>	<u>(62,780)</u>
	<u>11,704,304</u>	<u>15,043</u>	<u>11,719,347</u>	<u>13,003,686</u>

24. MOVEMENT IN FUNDS

	At 1.9.15 £	Net movement in funds £	At 31.8.16 £
Unrestricted funds			
General fund	12,988,623	(1,284,319)	11,704,304
Restricted funds			
Finn Prize Fund	163	5	168
Julie Kenny	1,800	-	1,800
James Lee	600	(25)	575
Fundraising Project	<u>12,500</u>	<u>-</u>	<u>12,500</u>
	15,063	(20)	15,043
TOTAL FUNDS	<u>13,003,686</u>	<u>(1,284,339)</u>	<u>11,719,347</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016**

24. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,980,337	(7,426,967)	162,311	(1,284,319)
Restricted funds				
MSM Charitable Trust Fund	15,000	(15,000)	-	-
Finn Prize Fund	50	(45)	-	5
James Lee	-	(25)	-	(25)
	15,050	(15,070)	-	(20)
TOTAL FUNDS	5,995,387	(7,442,037)	162,311	(1,284,339)

Unrestricted funds comprise accumulated surpluses on general funds, including unrealised surpluses and deficits on revaluations of investments and tangible fixed assets that are not allocated specifically to restricted funds. These funds are available for use at the discretion of the governors in furtherance of all Trusts' objects.

Restricted funds comprise of:-

MSM Charitable Trust Fund provide donations to the College for the benefit of bursaries. The MSM Charitable Trust fund has been transferred to the control of Mount St. Mary's Limited and administered by the Chairman of Governors, Chairman of the Finance Committee and one other Governor.

The Julie Kenny Fund arise from donations for the purchase of equipment for the Music Department.

The Finn Prize Fund was established by a donation for the award of a prize for Science.

The James Lee Prize Fund was established by a donation for the award of a prize for Music.

The Fundraising Project Fund arises from an initial donation of £10,000, along with the associated tax credit, given for the purpose of the appeal to be launched in the near future.

25. PENSION COMMITMENTS

Teachers' Pension Scheme

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS is a multi-employer pension scheme. The trust is unable to identify its share of the underlying assets and liabilities of the scheme. This is because the schemes are multi-employer schemes where the scheme assets are aggregated for investment purposes. Accordingly, the Trust has taken advantage of the exemption in FRS 17 and accounted for its contributions to the scheme as if it were a defined contribution scheme. Contributions to the scheme during the year totalled £467,219 (2015 - £271,882). At the year end £206,413 (2015 - £36,666) was accrued in respect of contributions to this scheme.

The regulations under which the TPS operates are the Teachers' Pension Regulations 2010. Retirement and other pension benefits, including annual increase payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a pay as you go basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

MOUNT ST MARY'S

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016**25. PENSION COMMITMENTS**
- continued

The Teachers' Pension Regulations require an annual account, the Teachers Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases).

From 1 April 2001 to 31 March 2011, the account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

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) Directors 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 the subsequent consultation are:-

- employer contribution rates set at 16.48% of pensionable pay (including a 0.8% 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 £191.5 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176.6 billion giving a notional past service deficit of £14.9 billion.
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3% 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 year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

Non Teaching Staff Pension Schemes

Mount St Mary's College also operates a Group Personal Pension Scheme which is a defined contribution scheme available to non teaching staff as well as paying into personal pension schemes on behalf of employees not in the Group Scheme. Contributions are charged to the statement of financial activities as they become payable. Contributions to the schemes during the year totalled £29,783 (2015 - £31,606). At the year end £6,183 (2015 - £6,141) was accrued in respect of contributions to these schemes.

The Trust also operates the Government backed Nest Pension Scheme to fulfil its Auto-enrolment obligations. Contributions to the scheme during the year totalled £20,826 (2015 - £12,353) and at the year end £2,774 (2015 - £1,633) was accrued in respect of contributions to the scheme.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2016**

26. CONTINGENT LIABILITIES

Except with prior written consent of the TRCP, Mount St Mary's Trust is required to pay £1.8 million to the TRCP in the event that either both schools close, merge or are transferred to a third party.

The Trust has benefited from a grant from English Heritage for the repair of of the Gazebo and Banqueting House of £151,572, which may may become repayable if within 10 years, 2025, if the conditions of the Grant are not satisfied.

27. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2016.

28. FIRST YEAR ADOPTION

The Trust has adopted FRS 102 for the year ended 31st August 2016 and the adjustments necessary to the comparative figures are in the reconciliations on pages 32 to 34.

Transitional relief

The Trust has taken advantage of all the reliefs available to them in preparing these accounts.

MOUNT ST MARY'S

**RECONCILIATION OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 AUGUST 2015**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		86,178	-	86,178
Charitable activities		4,851,430	-	4,851,430
Other trading activities		457,624	-	457,624
Investment income		154,401	-	154,401
Other income		<u>6,240</u>	<u>-</u>	<u>6,240</u>
Total		5,555,873	-	5,555,873
EXPENDITURE ON				
Raising funds		417,037	20,774	437,811
Charitable activities		6,189,489	15,905	6,205,394
OBSOLETE Governance costs		<u>36,679</u>	<u>(36,679)</u>	<u>-</u>
Total		6,643,205	-	6,643,205
Net gains/(losses) on investments		<u>(54,947)</u>	<u>-</u>	<u>(54,947)</u>
NET INCOME/(EXPENDITURE)		<u>(1,142,279)</u>	<u>-</u>	<u>(1,142,279)</u>

MOUNT ST MARY'S

RECONCILIATION OF FUNDS
 AT 1 SEPTEMBER 2014
 (DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		11,045,350	-	11,045,350
Heritage assets		1,867,352	-	1,867,352
Investments		<u>3,020,801</u>	-	<u>3,020,801</u>
		15,933,503	-	15,933,503
CURRENT ASSETS				
Stocks		20,636	-	20,636
Debtors		376,066	-	376,066
Cash at bank and in hand		<u>164,623</u>	-	<u>164,623</u>
		561,325	-	561,325
CREDITORS				
Amounts falling due within one year		<u>(2,229,136)</u>	-	<u>(2,229,136)</u>
NET CURRENT ASSETS/(LIABILITIES)				
		<u>(1,667,811)</u>	-	<u>(1,667,811)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		14,265,692	-	14,265,692
CREDITORS				
Amounts falling due after more than one year		<u>(119,727)</u>	-	<u>(119,727)</u>
		<u>14,145,965</u>	-	<u>14,145,965</u>
FUNDS				
Unrestricted funds		14,093,589	-	14,093,589
Restricted funds		<u>52,376</u>	-	<u>52,376</u>
TOTAL FUNDS		<u>14,145,965</u>	-	<u>14,145,965</u>

MOUNT ST MARY'S

RECONCILIATION OF FUNDS
AT 31 AUGUST 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		11,001,080	-	11,001,080
Heritage assets		1,867,352	-	1,867,352
Investments		<u>1,540,226</u>	<u>-</u>	<u>1,540,226</u>
Total		14,408,658	-	14,408,658
CURRENT ASSETS				
Stocks		43,918	-	43,918
Debtors		507,323	-	507,323
Cash at bank and in hand		<u>274,051</u>	<u>-</u>	<u>274,051</u>
		825,292	-	825,292
CREDITORS				
Amounts falling due within one year		<u>(2,167,484)</u>	<u>-</u>	<u>(2,167,484)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>(1,342,192)</u>	<u>-</u>	<u>(1,342,192)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,066,466	-	13,066,466
CREDITORS				
Amounts falling due after more than one year		<u>(62,780)</u>	<u>-</u>	<u>(62,780)</u>
NET ASSETS		<u>13,003,686</u>	<u>-</u>	<u>13,003,686</u>
FUNDS				
Unrestricted funds		12,988,623	-	12,988,623
Restricted funds		<u>15,063</u>	<u>-</u>	<u>15,063</u>
TOTAL FUNDS		<u>13,003,686</u>	<u>-</u>	<u>13,003,686</u>