

Charity Registration No. 1155647

Company Registration No. 08809865 (England and Wales)

**ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
LEGAL AND ADMINISTRATIVE INFORMATION

| | |
|--------------------------|---|
| Governors | Dr H D Plunkett Mrs S M Bailey Brother P E J Patterson Mr P C McCarthy Mr N J Vaughan Ms K S Hoile Ms H S Evers Mr D J Cheeseman (Appointed 19 October 2016) Mr J A R Thompson (Appointed 19 October 2016) Mr J C Barnes (Appointed 17 November 2017) Mrs C E Charlemagne (Appointed 1 September 2017) Ms J E A Husband (Appointed 17 November 2017) |
| Secretary | Mr N J Vaughan |
| Charity number | 1155647 |
| Company number | 08809865 |
| Registered office | 55 - 57 Midanbury Lane Bitterne Park Southampton Hampshire SO18 4HE |
| Auditor | HJS Accountants Limited Chartered Accountants and Statutory Auditors 12 -14 Carlton Place Southampton Hampshire England SO15 2EA |
| Bankers | HSBC Bank Plc 55 Above Bar Street Southampton Hampshire SO14 7DZ |

ST MARY'S INDEPENDENT SCHOOL LTD (FORMERLY ST MARY'S COLLEGE SOUTHAMPTON) CONTENTS

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**ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2017**

The Governors present their report and accounts for the year ended 31 August 2017.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the School's Instrument of Governance, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)"

Objectives and activities

The School is included as part of the community of The English Province of the Brothers of Christian Instruction (EPBCI).

The Brothers now operate in 24 countries around the World. Wherever they are, their aim remains that of their Founder: to educate the young and "to make Jesus Christ better known and better loved." The School is an independent school, with an age range 3-16 years, with a Pre-Preparatory and Senior department.

The objectives of the Charity are to advance the public benefit in the United Kingdom by establishing, maintaining and developing a Catholic School which shall offer a broad and balanced curriculum for pupils aged 3 – 16, as well as providing extra-curricular activities for the wellbeing, development and support of pupils at the School.

In addition, to provide facilities for recreation and other leisure time for the benefit of those who have been by reason of youth, age, infirmity or disablement, financial hardship, socio-economic circumstances or for the public at large in the interests of social welfare and improving the life of said inhabitants of the local community.

In setting the objectives and planning the activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

St Mary's Independent School does not discriminate in terms of age, sex (inc. sexual orientation) race, disability, religion or belief, gender (inc. gender reassignment) pregnancy or maternity, marriage or civil partnership. Each application will be judged on its suitability taking into account the constraints of the school building. We will be discussed thoroughly with parents and their medical advisers any adjustments that can reasonably be made for their child should he or she become a pupil at the school.

With regard to recruitment, the law already recognises that in schools with a religious character, posts within the School will need to be filled by members of the religion of the School to uphold and develop the religious ethos of the School. As a minimum requirement the Bishops expect that, in Catholic schools, the posts of Head Teacher or Principal, Deputy Head Teacher or Deputy Principal and Head or Co-ordinator of Religious Education are to be filled by practising Catholics. This is the case at St Mary's Independent School.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

During the year, the Governing body has focused on:

- Ensuring robust, financial procedures are in place to ensure financial stability for the School.
- Embedding the all-through nature of the School for the benefit of the community by integrating the leadership teams of both departments, requesting regular progress reports from the Head Teacher and agreeing to change the name of the School to reflect its all-through model and independent status.

**ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2017**

- Monitoring educational standards at the School by making visits to classrooms, attending data analysis meetings and asking challenging questions of members of the senior leadership team with regard to progress and attainment.
- Continuing to monitor the work of the marketing committee to raise the profile of the school in the local community and supporting the development of a new website and the publication of a new prospectus.
- Undertaking training on safeguarding, Prevent and Channel, and Full Governors Meetings ("FGM")
- Reviewing policies and their implementation especially safeguarding and child protection.

Our Mission

We nurture. We inspire. We achieve.

St Mary's Independent School will, as a Christian School, seek to foster the growth of the whole person within our Mennaisian community.

Our students will carry the spirit of the School into the wider world.

The School will achieve this mission by:

- Promoting positive attitudes to self and to others through effective dialogue between all members of our community.
- Instilling in all our students a desire to achieve high educational standards in line with their personal potential and the academic tradition of St Mary's Independent School.
- Recognising the value and responding to the uniqueness of the individual, through effective curriculum design and pastoral support.
- Encouraging resourcefulness and resilience in all our students through the design and planning of engaging activities.
- Providing all students with a range of subjects and activities suitable to their ages and abilities.
- Creating opportunities for the development of talents and life-long skills for everyone within our community through appropriate enrichment activities that are accessible to all.
- Recognising the achievements and celebrating the successes of all who work and learn at St Mary's Independent School to help develop a sense of pride in the School.
- Inspiring all students to achieve their personal best so that they can move on to employment or further education with confidence.
- Promoting Christian values through a positive work ethic and supportive relationships that are nurtured within our Mennaisian community.
- Welcoming children of other faiths and cultures, showing respect and celebrating similarities and differences.

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2017

- Maintaining links with parents and carers in order to support learning and to build a community with shared values.
- Working effectively with outside agencies for the benefit and welfare of our students. Providing quality resources which will enable all who work and learn at St Mary's Independent School to undertake their roles and responsibilities successfully.
- Working effectively with the "Reseau Mennaisien" based in the Province of St John the Baptist, France as a member of that network of schools.
- Ensuring the professional development of its teaching and non-teaching staff through an effective appraisal process and professional development opportunities.
- Establishing links within the local and global community, enriching our students and aiding others.
- Incorporating democratic principles, values and rule of law, supporting individual liberty and fostering a community in which different faiths and beliefs are respected.

St Mary's Independent School aims to serve its community by providing an education of the highest quality within the context of Christian belief and practice in the Catholic tradition. It encourages an understanding of the meaning and significance of faith and promotes Christian values through the experience it offers to all its students.

The Governors have paid due regard to guidance issued by the Charity Commission in deciding what activities the School should undertake.

Achievements and performance

Academic and Extra-Curricular Achievements

In the GCSE examinations Year 11 students achieved 100% A* – C (equivalent) in Maths and English and an impressive 40% of all grades achieved at A* and A. Overall, 71% of all exams entered achieved A*, A or B grades. Other exceptional results include Physics, Chemistry, Additional Science, Media, Art, History, Physical Education and Classical Civilisation – all achieving 100% A*– C. On average our Year 11 students achieved 4 A*/A grades each.

Key Stage Two results were equally impressive:

| | National attainment (SATS) | St. Mary's attainment |
|-----------------------------------|----------------------------|-----------------------|
| Reading | 71% | 94% |
| Spelling, punctuation and grammar | 77% | 100% |
| Mathematics | 75% | 88% |
| Writing | 76% | 88% |

In addition to our exceptional academic performance the School delivered sporting success in a variety of sports. The 2016/17 season saw the school maintain its dominant position in Southampton Schools Cross Country competitions. There were many successes including City Intermediate Champion and gold medallist in both Senior and Junior categories. Furthermore, the intermediate boy's team obtained silver in the league team trophy. In the Southampton City Championship the Year 8 boy's team finished in bronze medal position. Moreover, no fewer than six students were selected to represent Southampton Schools in the various Hampshire championships.

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2017

The football season saw the school enter three boys' and one girls' football teams, all competing admirably within the Southampton Schools league. The school also had 15 students rowing for Southampton Schools in the Hampshire Championships. Two students were named City Champions, while one achieved silver. In addition, two students qualified to compete in the Nationals. It was another successful year for table tennis with U13s and U16s students competing in the City competition.

The summer term was busy with athletics throughout featuring the Hampshire Schools Track Knock Out, the City Track and Field Championships and the School Sports Day. The School performed well at the City Championships where no fewer than twelve students won medals. Moreover, there were no fewer than eight School records broken. St Mary's once again flourished at the City Swimming Gala. Out of the 50 races St Mary's medalled in 11: achieving 7 silver and 4 bronze medals. The Cricket season also proved to be very competitive in the Southampton Schools league.

2016-17 was another successful year for the Duke of Edinburgh Award at St Mary's Independent School. 16 students began the award in September 2016 and all passed their final expedition in July 2017, with most having already completed three other award sections: one volunteering project, one new skill acquisition and one physical pursuit. All 16 students qualified for their Bronze award.

The extracurricular life at St. Mary's always exudes energy and variety and last year was no different. The preparations for the play 'Guys and Dolls' led to an exceptional performance. Subject related educational visits have always given our students the chance to develop their academic understanding and enrich the learning that takes place within the classroom. In the first term we had a visit from the R.A.F, Year 11 went to Dorset, Year 8 enjoyed an evening bowling, Year 9 visited the Natural History Museum and Year 7 explored Old Sarum. Year 11 also travelled to Paris and had a wonderful time visiting the Eiffel Tower, Sacre Coeur, Stade de France. December saw the girls being whisked off to the Clothes Show live in Birmingham. Other educational trips included The Art department's GCSE trip to the Tate Modern, National Gallery and Portrait Gallery in London.

Activities week was a new experience for St. Mary's. Students sewed, baked, explored and completed a host of different activities during the school based days. Trips out of school included a scientific day out at Intech and a team building day in the New Forest. Students also spent the day exploring the world of Shakespeare in an interactive workshop. A group of Senior students traveled to the south of France during the week. They spent three days camped 300 meters from the Mediterranean, and each day was packed full of water sport activities such as windsurfing, sea kayaking, sailing and Banana boating. This was followed by a fun packed day at a water park before starting a three day descent of the Ardeche Gorge.

Our musicians had a very successful year. Regular lunchtime concerts showcased a wide variety of music and singing. The highlight of the musical year, apart from our school play, was St. Mary's Got Talent, demonstrating the variety of talent and flair our students have.

The St. Mary's musicians also participated in the jazz concert in March which gave them a chance to develop their knowledge and love for Jazz music. This was a very interactive performance that saw our students performing in the Turner Sims Concert Hall. Year 7 also had a once in a lifetime experience when they went to a recording studio to record the hymns that they had written.

We also ran a number of trips to local theatres including a trip to the Nuffield Theatre to see 'The Fantastic Mr Fox' and 'The Inspector Calls' at the Mayflower Theatre

St Mary's achieved great success in the competitions it entered throughout the year. Students from year 10 and 11 were entered into the Public speaking competition against Winchester College and St. Swithun in November with the Year 11 team coming second place.

The spiritual side of school life is something that St. Mary's considers central to our daily lives and the character of the school. Charitable events and faith based celebrations take place throughout the year. The Carol Service at St. Edmund's Catholic Church saw outstanding vocal and musical student pieces performed.

The spiritual life of our school continues to grow from strength to strength. Our annual Relationships Day is designed to allow our students to think about who they are, what they want out of their future relationships and how they have an impact on the world around them. Several guest speakers were invited in for the day. The focus for last year was about our worth, our value, and our dignity. We had an extra focus on e-safety and keeping ourselves safe on the internet.

**ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2017**

Our Charitable work was outstanding in 2017. Year 11 raised significant funds to help give the homeless of Southampton a Christmas present in December. Working with the Big Breakfast charity, students were given the opportunity to meet and serve the homeless community breakfast and become advocates of our faith. Students also voted in their tutor groups about how best to spend their Christmas fundraising money in the last week of the term. As a school we bought several birth certificates for homeless and orphaned children in New Delhi, through the ToyBox Appeal. We also bought a host of cows, chickens and school starter packs through the CAFOD world gifts scheme.

Our social action and work against social injustice led to a Romero Award being presented to us. Oscar Romero was a Catholic priest who dedicated his life to working in support of the poor and marginalised. Our Participator Level Award means that our whole community's work towards making the world a happier, more peaceful and spiritual place has been formally recognised.

Development

The Governors have been delighted with the continuing success of the School, and are grateful to the staff and pupils.

Since appointment the Governors have been focusing on delivering the School's strategic plan, with considerable emphasis placed on the improvement of facilities on the site. This work has been supported admirably by the St Mary's Independent School Parents Association who continue to deliver donations to the School through fundraising activities.

During the last academic year, a re-painting programme and the replacement of some flooring has improved the learning environment. The Governors will continue to develop the school site and facilities to further the learning and extra-curricular objectives in a modern, safe environment.

Community activities

The following activities took place during this period:

- Hamble Colts Football Club and Soccer4All (U11) using the field every Saturday morning.
- Our Gym is provided to an external gym club.
- A table tennis club using St Mary's gym every week.
- The music room is provided to Ocean Brass on a weekly basis.
- A forensics day for Year 5 students from a number of local primary schools.

Future Development

Together with the Senior Leadership Team the Executive Headteacher has committed to undertake a full review of the curriculum and facilities provided at St Mary's. All stakeholders will be consulted so as to develop a comprehensive 5 - 8 year development and upgrade programme.

During the 2017/18 year the school will upgrade the kitchen and dining hall and also ensure the school has the full infrastructure needed to meet the later needs of the school business plan.

**ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2017**

Financial review

The movement in funds shown in the Statement of Financial Activities shows a net deficit for the period of £23,638 (2016 £403,903 surplus).

The Charity continues to be supported by the EPBCI and is thus free from exposure to risk caused by any deficits that may arise.

The Board of Governors, Resources Committee, and Finance Manager operate a close control over the collection of fees and overall expenditure.

It is the policy of the Charity that unrestricted funds which have not been by the Governors designated for a specific use should be maintained at a level equivalent to between one and two month's expenditure, £160,000 - £320,000. The Governors considers that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the Charity's current activities while consideration is given to ways in which additional funds may be raised. The Governors are targeting unrestricted reserves of three to six months in the medium term.

At the year end reserves were £786,549 however this included fixed assets with a net book value of £613,150 which leaves free reserves of £173,399.

Funding sources and how expenditure has supported key objectives

Income in the year was derived primarily from school fees received, and was supported by donations from a variety of sources.

The most significant expenditure incurred by the Charity relates to staff costs, being mainly the wages and salaries paid to teaching and other staff. This team provide the quality education and tight management of the Charity, and directly support the key objectives of the Governors.

The premises are owned by the EPBCI. St Mary's Independent School are charged rent by EPBCI. The rent charged is below market value. No estimate of the market value of the rent has been calculated as the cost of obtaining this is considered disproportional to the benefit gained from including this amount within the financial statements. Therefore no rent charge has been included in the financial statements.

Risk Management

The Governors have assessed the major risks to which the Charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

The current financial climate has had an impact on numbers at the school but tight financial monitoring by the governors/trustees and a more competitive marketing strategy is in place to mitigate exposure to the major risks.

Structure, governance and management

The School is a company limited by guarantee. Details of charity number, company number, addresses and other relevant organisations can be found on the information page.

The Governors, who are also the directors for the purpose of company law, and who served during the year were:

Dr H D Plunkett

Mrs S M Bailey

Brother P E J Patterson

Mr P C McCarthy

Mr A Fernandez

Mr N J Vaughan

(Resigned 31 August 2017)

**ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2017**

| | |
|---------------------|------------------------------|
| Ms D P Owen | (Resigned 31 August 2017) |
| Ms K S Hoile | |
| Ms H S Evers | |
| Mr D J Cheeseman | (Appointed 19 October 2016) |
| Mr J A R Thompson | (Appointed 19 October 2016) |
| Mr J C Barnes | (Appointed 17 November 2017) |
| Mrs C E Charlemagne | (Appointed 1 September 2017) |
| Ms J E A Husband | (Appointed 17 November 2017) |

Recruitment and Appointment of Trustees and Governors

The Charity is included as part of the community of The French Province of the Brothers of Christian Instruction (FPBCI).

The EPBCI is responsible for the appointment of Foundation Trustees and Governors for the School.

Governors are also appointed in two further ways. First, a number of Parent Governors were appointed following a vote open to all parents of children in both St Mary's College and Charlton House.

Second, two Staff Governors have been appointed following a vote open to all teachers and other staff at both schools.

Parent and Staff Governors have been appointed for either three or four years to ensure stability, and to remove the risk of all Governors requiring replacement at once.

The main Board of Governors meets four times per annum, and delegates certain responsibilities to its three sub-committees: Resources (five times per annum), Buildings & Development (four times per annum), and Education (four times per annum).

None of the Governors has any beneficial interest in the Company. All of the Governors are members of the company and guarantee to contribute £1 in the event of a winding up.

Decisions

Decisions are made in accordance with the Scheme of Delegation as agreed by the Full Governing Board. This allows for decisions relating to certain matters, and where the financial value of transactions is beneath certain limits, to be made by the Senior Leadership Team comprising the Head Teacher, Deputy Head Teacher, Assistant Head Teachers and Administration Manager. Other matters require approval at one of the three sub-committees and the most strategic decisions require sign off by the Full Governing Body. A meeting of this group requires at least six Governors to be present.

Induction and Training of Trustees and Governors

The Governors have in place procedures for the induction and training of Trustees and Governors when required. Prior to the Governing Body taking responsibility on 1 September 2013, a detailed induction was undertaken. This included Guidelines for Governors from AGBIS (Association of Governing Bodies on Independent Schools) and details of all SMC policies, procedures and strategic plans.

Governors have also undertaken other relevant training where appropriate. During the period this has included health and safety training and courses specific to teaching in and inspections of Catholic schools.

**ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2017**

The Governing Body will determine the pay range for a vacancy prior to advertising it. On appointment it will determine the starting salary within that range to be offered to the successful candidate. In making such determinations, the Governing Body may take into account a range of factors, including:

- the nature of the post
- the level of qualifications, skills and experience required
- market conditions
- the wider school context

The key management personnel are:

- Executive Head Teacher
- Deputy Head Teacher
- Assistant Head Teacher (two posts)
- College Administration Manager
- Finance Manager

In the 2017 academic year the Executive Head Teacher retired and a successor was successfully appointed to the post.

Pay and remuneration of key management personnel

When considering the pay and remuneration for the Charities key management personnel the Governing Body aims to:

- maximise the quality of teaching and learning at the school
- support the recruitment and retention of a high quality teacher and support workforce
- enable the school to recognise and reward teachers and support staff appropriately for their contribution to the school
- help to ensure that decisions on pay are managed in a fair, just and transparent way

Auditor

In accordance with the company's articles, a resolution proposing that HJS Accountants Limited be reappointed as auditor of the company will be put at a General Meeting.

The Governors' report was approved by the Board of Governors.

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Mrs C E Charlemagne
Governor
Dated:

**ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
STATEMENT OF GOVERNORS' RESPONSIBILITIES
*FOR THE YEAR ENDED 31 AUGUST 2017***

The Governors, who are also the Directors of St Mary's Independent School Ltd for the purpose of company law, are responsible for preparing the Governors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the School and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the School and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ST MARY'S INDEPENDENT SCHOOL LTD (FORMERLY ST MARY'S COLLEGE SOUTHAMPTON) INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ST MARY'S INDEPENDENT SCHOOL LTD

We have audited the financial statements of St Mary's Independent School Ltd for the year ended 31 August 2017 set out on pages 12 to 26. 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), including Financial Reporting Standard 102.

This report is made solely to the Charity's Governors', as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Charity's Governors' 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 Charity and its Governors' as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governors and auditor

As explained more fully in the statement of Governors' responsibilities set out on page 9, the Governors, who are also the directors of St Mary's Independent School Ltd for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The Governors have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the Governors' Annual Report to identify material inconsistencies with the audited accounts 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 accounts.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ST MARY'S INDEPENDENT SCHOOL LTD**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the accounts are not in agreement with the accounting records and returns; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

HJS Accountants Limited

Chartered Accountants and Statutory Auditors
12 -14 Carlton Place
Southampton
Hampshire
SO15 2EA
England

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HJS Accountants Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017

| | Notes | 2017 £ | 2016 £ |
|---|-------|-----------------------|-----------------------|
| <u>Income from:</u> | | | |
| Donations and legacies | 3 | 8,322 | 402,292 |
| Provision of education | 4 | 2,115,432 | 2,124,823 |
| Total income | | <u>2,123,754</u> | <u>2,527,115</u> |
| <u>Expenditure on:</u> | 5 | | |
| Raising funds | 6 | 54,647 | 21,936 |
| | | <u></u> | <u></u> |
| Provision of education | 7 | 2,092,745 | 2,101,276 |
| Total resources expended | | <u>2,147,392</u> | <u>2,123,212</u> |
| Net (expenditure)/income for the year/ Net movement in funds | | (23,638) | 403,903 |
| Fund balances at 1 September 2016 | | <u>810,187</u> | <u>406,284</u> |
| Fund balances at 31 August 2017 | | <u><u>786,549</u></u> | <u><u>810,187</u></u> |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
BALANCE SHEET
AS AT 31 AUGUST 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|---|-------|------------------|----------------|------------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 11 | | 613,150 | | 655,336 |
| Current assets | | | | | |
| Debtors | 12 | 110,001 | | 90,804 | |
| Cash at bank and in hand | | 535,381 | | 393,002 | |
| | | <u>645,382</u> | | <u>483,806</u> | |
| Creditors: amounts falling due within one year | 13 | <u>(471,983)</u> | | <u>(328,955)</u> | |
| Net current assets | | | 173,399 | | 154,851 |
| Total assets less current liabilities | | | <u>786,549</u> | | <u>810,187</u> |
| Income funds | | | | | |
| Unrestricted funds | | | 786,549 | | 810,187 |
| | | | <u>786,549</u> | | <u>810,187</u> |

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2017, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

The Governors' responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Governors on

.....
 Mrs C E Charlemagne
Governor

Company Registration No. 08809865

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Company information

St Mary's Independent School Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is 55 - 57 Midanbury Lane, Bitterne Park, Southampton, Hampshire, SO18 4HE.

1.1 Accounting convention

The accounts have been prepared in accordance with the School's Instrument of Governance, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The School is a Public Benefit Entity as defined by FRS 102.

The School has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

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

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the accounts, the Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Thus the Governors continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Governors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the School.

1.4 Incoming resources

Income is recognised when the School is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the School has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Cash donations are recognised on receipt. Other donations are recognised once the School has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the School has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

The premises is owned by the EPBCI and St Mary's College Southampton use it free of charge. No estimate of the market value of the rent has been calculated as the cost of obtaining this is considered disproportional to the benefit gained from including this amount within the financial statements. Therefore no rent charge has been included.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Fixed assets are only capitalised where the cost is over £500. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

| | |
|------------------------|----------------------------------|
| Leasehold improvements | 20 years straight line |
| School equipment | 3 years or 5 years straight line |
| Motor vehicles | 5 years straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the School reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/ (expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 14, 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.

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

2 Critical accounting estimates and judgements

In the application of the School's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The key judgements made by the trustees are the recovery of trade debtors and provision against estimated bad debts.

3 Donations and legacies

| | Unrestricted funds | Restricted funds | Total 2017 | Total 2016 |
|--|-------------------------------|-----------------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Donations and gifts | 8,322 | - | 8,322 | 402,292 |
| | <u>8,322</u> | <u>-</u> | <u>8,322</u> | <u>402,292</u> |
| For the year ended 31 August 2016 | <u>2,292</u> | <u>400,000</u> | | <u>402,292</u> |

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Provision of education

| | School fees | Sports and school trips | Exam fees | Catering | Other | Total 2017 | Total 2016 |
|----------------------------------|------------------|----------------------------|---------------|---------------|---------------|------------------|------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| School fees | 1,978,271 | 55,647 | 13,055 | 60,105 | 66,888 | 2,173,966 | 2,237,376 |
| Government grant for school fees | 72,879 | - | - | - | - | 72,879 | 68,276 |
| Discounts given | (131,413) | - | - | - | - | (131,413) | (180,829) |
| | <u>1,919,737</u> | <u>55,647</u> | <u>13,055</u> | <u>60,105</u> | <u>66,888</u> | <u>2,115,432</u> | <u>2,124,823</u> |

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

5 Number of Pupils

The average monthly number of pupils during the year was:

| | 2017 | 2016 |
|---------------|---------------|---------------|
| | Number | Number |
| Senior School | 117 | 130 |
| Prep School | 113 | 147 |
| | <hr/> | <hr/> |
| | 230 | 277 |
| | <hr/> | <hr/> |

6 Raising funds

| | 2017 | 2016 |
|--|-------------|-------------|
| | £ | £ |
| <u>Fundraising and publicity</u> | | |
| Seeking donations, grants and legacies | 54,647 | 21,936 |
| | <hr/> | <hr/> |
| | 54,647 | 21,936 |
| | <hr/> | <hr/> |
| For the year ended 31 August 2016 | | |
| Fundraising and publicity | | 21,936 |
| | | <hr/> |

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

7 Provision of education

| | School fees | Sports and school trips | Exam fees | Catering | Total 2017 | Total 2016 |
|---|--------------------|------------------------------------|------------------|-----------------|-----------------------|-----------------------|
| | £ | £ | £ | £ | £ | £ |
| Staff costs | 1,437,700 | - | - | - | 1,437,700 | 1,392,633 |
| Depreciation and impairment | 62,149 | - | - | - | 62,149 | 68,211 |
| Rent | 10,000 | - | - | - | 10,000 | 10,000 |
| Stationery, teaching materials and training | 63,294 | - | - | - | 63,294 | 63,833 |
| Maintenance activities | 157,447 | - | - | - | 157,447 | 176,664 |
| Transport | 114,662 | - | - | - | 114,662 | 89,774 |
| Telephone | 21,781 | - | - | - | 21,781 | 9,505 |
| Bad debts | 2,745 | - | - | - | 2,745 | 3,334 |
| Legal and professional fees | 17,912 | - | - | - | 17,912 | 13,744 |
| Bursaries & scholarships awarded | 99,384 | - | - | - | 99,384 | 128,185 |
| Trips and school care | - | 51,393 | - | - | 51,393 | 89,546 |
| Exam costs | - | - | 11,101 | - | 11,101 | 13,315 |
| Catering | - | - | - | 35,367 | 35,367 | 35,679 |
| Bank charges | 60 | - | - | - | 60 | 78 |
| Other charitable expenditure | 2,150 | - | - | - | 2,150 | 762 |
| | <u>1,989,284</u> | <u>51,393</u> | <u>11,101</u> | <u>35,367</u> | <u>2,087,145</u> | <u>2,095,263</u> |
| Share of governance costs (see note 8) | 5,600 | - | - | - | 5,600 | 6,013 |
| | <u>1,994,884</u> | <u>51,393</u> | <u>11,101</u> | <u>35,367</u> | <u>2,092,745</u> | <u>2,101,276</u> |
| Analysis by fund | | | | | | |
| Unrestricted funds | 1,994,884 | 51,393 | 11,101 | 35,367 | 2,092,745 | |
| | <u>1,994,884</u> | <u>51,393</u> | <u>11,101</u> | <u>35,367</u> | <u>2,092,745</u> | |
| For the year ended 31 August 2016 | | | | | | |
| Unrestricted funds | 1,962,736 | 89,546 | 13,315 | 35,679 | | 2,101,276 |
| | <u>1,962,736</u> | <u>89,546</u> | <u>13,315</u> | <u>35,679</u> | | <u>2,101,276</u> |

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

8 Support costs

| | Support costs £ | Governance costs £ | 2017 £ | 2016 £ | Basis of allocation |
|-----------------------|--------------------|-----------------------|--------------|--------------|---------------------|
| Audit fees | - | 5,600 | 5,600 | 6,013 | Governance |
| | <u>-</u> | <u>5,600</u> | <u>5,600</u> | <u>6,013</u> | |
| Analysed between | | | | | |
| Charitable activities | - | 5,600 | 5,600 | 6,013 | |
| | <u>-</u> | <u>5,600</u> | <u>5,600</u> | <u>6,013</u> | |

Governance costs includes payments to the auditors of £5,600 (2016 £6,013) for audit fees.

9 Governors

None of the Governors (or any persons connected with them) received any reimbursed travelling expenses in the period.

Per the governing document, the headteacher and staff members are appointed to the Board of Governors. They are remunerated for their position as teaching staff but not for their role as trustees.

During the year the following Governors received remuneration from the School for their work as teachers. The gross pay, employer's NI and employer's pensions contributions fell into the following bands.

Ms D P Owen - £75,001 - £80,000 (2016 £75,001 - £80,000)

Mr D Cheeseman - £45,001-£50,000

Mr J Brazier - £nil (2016 £10,001 - £15,000)

During the year the following Governors received remuneration from the School for their work as support staff in the college. The gross pay, employer's NI and employer's pensions contributions fell into the following bands:

Ms K S Hoile - £35,001 - £40,000 (2016 £35,001 - £40,000)

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

10 Employees

Number of employees

The average monthly number employees during the year was:

| | 2017 Number | 2016 Number |
|-------------------------------|------------------------|------------------------|
| School Education | 38 | 38 |
| Ancillary Staff | 12 | 12 |
| Management and Administration | 5 | 5 |
| | <u>55</u> | <u>55</u> |

Employment costs

| | 2017 £ | 2016 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 1,210,212 | 1,154,391 |
| Social security costs | 102,480 | 91,216 |
| Other pension costs | 125,008 | 147,026 |
| | <u>1,437,700</u> | <u>1,392,633</u> |

The number of employees whose annual remuneration was £60,000 or more were:

| | 2017 Number | 2016 Number |
|-------------------|------------------------|------------------------|
| £75,001 - £80,000 | <u>1</u> | <u>1</u> |

11 Tangible fixed assets

| | Leasehold improvements £ | School Motor vehicles equipment £ | £ | Total £ |
|------------------------------------|---|--|---------------|--------------------|
| Cost | | | | |
| At 1 September 2016 | 613,491 | 147,184 | 7,500 | 768,175 |
| Additions | 1,944 | 10,518 | 7,500 | 19,962 |
| | <u>615,435</u> | <u>157,702</u> | <u>15,000</u> | <u>788,137</u> |
| At 31 August 2017 | | | | |
| Depreciation and impairment | | | | |
| At 1 September 2016 | 31,385 | 79,953 | 1,500 | 112,838 |
| Depreciation charged in the year | 30,772 | 28,377 | 3,000 | 62,149 |
| | <u>62,157</u> | <u>108,330</u> | <u>4,500</u> | <u>174,987</u> |
| At 31 August 2017 | | | | |
| Carrying amount | | | | |
| At 31 August 2017 | <u>553,278</u> | <u>49,372</u> | <u>10,500</u> | <u>613,150</u> |
| At 31 August 2016 | <u>582,106</u> | <u>67,230</u> | <u>6,000</u> | <u>655,336</u> |

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

12 Debtors

| | 2017 | 2016 |
|---|-----------------------|----------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 78,550 | 53,711 |
| Other debtors | 3,394 | 6,257 |
| Prepayments and accrued income | 28,057 | 30,836 |
| | <u>110,001</u> | <u>90,804</u> |
| | <u><u>110,001</u></u> | <u><u>90,804</u></u> |

13 Creditors: amounts falling due within one year

| | 2017 | 2016 |
|------------------------------------|-----------------------|-----------------------|
| | £ | £ |
| Other taxation and social security | 26,187 | 26,470 |
| Trade creditors | 9,307 | 6,300 |
| Other creditors | 38,064 | 37,690 |
| Accruals and deferred income | 398,425 | 258,495 |
| | <u>471,983</u> | <u>328,955</u> |
| | <u><u>471,983</u></u> | <u><u>328,955</u></u> |

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

14 Retirement benefit schemes

Defined contribution schemes
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 £125,008 (2016: £147,026).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

ST MARY'S INDEPENDENT SCHOOL LTD
(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

15 Analysis of net assets between funds

| | Unrestricted funds £ | Restricted funds £ | Total £ |
|---|----------------------------|--------------------------|----------------|
| Fund balances at 31 August 2017 are represented by: | | | |
| Tangible assets | 613,150 | - | 613,150 |
| Current assets/(liabilities) | 173,399 | - | 173,399 |
| | <u>786,549</u> | <u>-</u> | <u>786,549</u> |

16 Operating lease commitments

At the reporting end date the School had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2017 £ | 2016 £ |
|----------------------------|--------------|---------------|
| Within one year | 5,279 | 5,279 |
| Between two and five years | 3,956 | 9,235 |
| | <u>9,235</u> | <u>14,514</u> |

17 Related party transactions

Remuneration of key management personnel

The key management personnel of the School comprise the Governors and the senior management team as detailed on pages 7 and 8. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the School was:

| | 2017 £ | 2016 £ |
|------------------------|-----------|-----------|
| Aggregate compensation | 380,774 | 362,181 |

Transactions with related parties

During the year the School entered into the following transactions with related parties:

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(FORMERLY ST MARY'S COLLEGE SOUTHAMPTON)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2017

17 Related party transactions

(Continued)

Eye 4 HR Solutions

Eye 4 HR Solutions is the trading name of Ms H Evers who is a Governor of the School.

During the period Eye 4 HR Solutions raised invoices to the School totalling £2,700 (2016: £1,800) for HR support. At the balance sheet date £nil (2016 £nil) was outstanding.