

STELLA MARIS SCHOOL

FINANCIAL STATEMENTS

31 JULY, 2020



TWJ Partnership LLP
Chartered Accountants
The Moorings
Dane Road Industrial Estate
Dane Road
Sale
Cheshire
M33 7BH

STELLA MARIS SCHOOL

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY, 2020

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STELLA MARIS SCHOOL

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 JULY, 2020

The trustees have pleasure in presenting its report and financial statements of the school for the year ended 31 July, 2020. Stella Maris is an independent preparatory school registered with the Department for Education and Employment. The accounts have been prepared to comply with statutory requirements and those of the charity's governing document.

RESPONSIBILITIES OF THE TRUSTEES

The Charities Act requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity at the end of the year and of the incoming and outgoing resources for the year then ended. In the last 12 months, we have streamlined the full Board and created sub-committees to attend to specific matters in a nice timely manner and share of roles and responsibilities.

ADMINISTRATIVE DETAILS

The school address is Stella Maris School, St. John's Road, Heaton Mersey, Stockport, Cheshire, SK4 3BR.

The charity correspondence address is as above.

TRUSTEES

Dr J G Swarbrick
Mrs N Johnson
Mr D Fleming
Mr J Boyd - Chair
Dr Georgina Hayes

INDEPENDENT EXAMINER

TWJ Partnership LLP, The Moorings, Dane Road Industrial Estate, Dane Road, Sale, Cheshire, M33 7BH

BANKERS

National Westminster Bank Plc, PO Box 13, 10 Great Underbank, Stockport, Cheshire, SK1 1LL.

CHARITY INFORMATION

The Trust is a registered charity, number 505848 set up by Deed of Trust dated 30 December 1976 and is an unincorporated association.

METHOD OF APPOINTMENT OF TRUSTEES

Trustees, who are in part parents of pupils past or present or associated with the school are selected by the board from recommendations made by fellow trustees or by invitation of offering their services. The procedure for the induction of trustees includes discussion of their strengths and background and how they see their role working with the existing trustees. The Board seeks to have a wide range of skilled Trustees with ideally only 2 parent Trustees on the Board at any time.

OBJECTIVES AND ACTIVITIES OF THE CHARITY

The Trust's purpose as set out in its Deed of Trust is the teaching and education of boys and girls of primary school age and it has adopted policies to purchase property and equipment and to employ suitable qualified staff in order to meet this purpose. The school is situated at the registered office at St. John's Road, Heaton Mersey, Stockport, Cheshire. The trustees are of the opinion that the objectives of the charity were achieved during the period.

STELLA MARIS SCHOOL

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 JULY, 2020

PUBLIC BENEFIT

STATEMENT OF CHARITABLE STATUS AND PUBLIC BENEFIT FOR THE YEAR ENDING 31 JULY, 2020

AIMS

Stella Maris School is dedicated to providing first class independent education for boys & girls aged 3- 11 within the Greater Manchester, Stockport and Cheshire areas. We seek to provide a structured educational environment that develops our pupils' capabilities, competencies and skills to the best of their abilities whilst they gain a clear understanding of the wider and local community. It is our aim to encourage and promote the academic, moral, and physical development of our pupils through our academic curriculum, pastoral care and extra-curricular activities whilst maintaining and reinforcing a warm community spirit.

Stella Maris operates as a registered charitable trust and this emphasises our commitment to community engagement and deepening relationships with the communities we serve. We're dedicated to the development of a future-facing, knowledge-based economy, and take our role seriously in contributing to a socially inclusive and vibrant, local and wider community.

Our School is committed to safeguarding and promoting the welfare of our pupils and we expect all staff, Trustees and volunteers to share this commitment which will not be compromised through our school's contribution to public benefit as a registered charitable trust.

OBJECTIVES

In setting our objectives and planning our activities the Trustees of Stella Maris have given careful consideration to the Charity commissioners' general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and fee charging.

Our key objectives include:

- To enhance and improve the curricular provision for pupils
- To continue to develop the first-class pastoral care we provide for our pupils
- To maintain and increase pupil numbers
- To provide continual support to our pupils
- To support the local and wider community
- To develop our relationships with neighbouring schools and other local organisations

COVID-19

During the 2019-2020 financial and academic year, Stella Maris worked hard to benefit its pupils in providing a high quality educational provision. The first lockdown commencing in March 2020 presented significant challenges to the whole country, not least to those within the field of education. During this period, educational provision operated on a remote basis for all but children of key workers or those classed as vulnerable. From 1st June all children from government specified year groups were then able to attend full-time. In addition, due primarily to the small class sizes at Stella Maris, the school was proud to be able offer part time attendance to all other year groups, with the remainder of their education continuing to be delivered remotely. These efforts sought to provide the highest quality of education possible in extremely difficult circumstances and we are grateful to all staff for their flexibility and dedication.

STELLA MARIS SCHOOL

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 JULY, 2020

ENGAGEMENT WITH THE COMMUNITY

As part of our community engagement, Stella Maris School engages in charitable giving in pursuit of its strategic ambitions. These include:

COMMUNITY EVENTS - In normal circumstances Stella Maris actively engages with the local community on a regular basis. From supporting and attending the local traders association's Heaton's Summer Festival. We take our role and responsibility within the local community very seriously, valuing our position to be able to contribute to it. We also hold events to which the whole community are invited, such as the Christmas Pantomime and School Fayres; in addition to a number of public Open Events that we hold throughout each year.

SCHOOL TRIPS - Our pupils are taken on regular educational trips that show support to local areas of interest as well as increasing pupils' knowledge. We are developing links with Stoneyhurst College, in Lancashire where we have been offered access to their facilities and in recent times we have brought our Year 5 and 6 children to the College on a residential outward bound course.

BEFORE & AFTERSCHOOL CLUBS - For busy parents we run our After School club until 5.30pm for a subsidised charge and continue to run our early morning drop off from 8am free of charge.

ACTIVITIES - In addition to the regular national school curriculum we offer further enriching extracurricular activities such as Art Club, Speech, Forest School, Music tuition and various sports (all pupils from Year 3 - Year 6 take part in weekly Multi Sports and Swimming lessons in addition to the traditional football and athletics). All pupils from Year Reception to Year 6 also learn French on a weekly basis. We engage in sporting challenges with our neighbouring schools, taking part in cross country runs, netball and football inter school competitions.

VOLUNTEERS - We happily accept applications from work experience candidates and teachers-in-training to provide potential new teachers with hands-on experience both inside and outside the classroom for short-term and long-term arrangements. Where appropriate we provide all our helpers with references / additional work experience and training as and whenever an opportunity arises.

FEES - as part of our consideration for school fees and commitment to assisting families in the opportunity to receive the very best in independent education for their child, we regularly review our tuition fees to keep them as competitive as possible. We also accept childcare vouchers as well as the current government nursery grant discount of 15 hours per week. We offer a number of methods of payment and also a 'sibling discount' to parents with more than one child attending our school. We also assist families within our school who may need financial assistance.

FUNDRAISING - To help our pupils consider others in the local and wider community, throughout the academic year we fundraise for 2 or more local and national charities. Locally we are regular fundraisers for Salford-based Catholic charity Caritas Salford, taking part in their Lenten St Joseph's Penny appeal, as well as donating Harvest hampers to The Wellspring, Stockport's resource centre for the homeless and disadvantaged people. On a national scale we regularly fundraise for Jeans for Genes, Macmillan, St Anne's Hospice, The Royal National Institute for the Blind, The Children's Rescue Society and various others. We are always open to suggestions for new fundraising schemes and approaches from new charities.

IMPROVEMENTS - We feel fortunate and proud that Stella Maris School is situated in a registered building within a protected conservation area. We're committed to the upkeep of the site through regular cleaning and the refreshing of paintwork as well as securing regular electric tests and health and safety reviews throughout the school building. We're also keen to show the school and its area off to the best of its appearance with up to date displays and the addition of new furniture so that it's presented beautifully all times. Going forward, we are seeking to redevelop our front playground into an outdoor learning space for the benefit of all year groups.

STELLA MARIS SCHOOL

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 JULY, 2020

FURTHER ADMINISTRATION

CHECKS & TRAINING

As part of our recruitment process all new members of staff undertake DBS checks. Our commitment is to the best quality pastoral care and to ensuring all pupils, parents and fellow members of staff are well cared for. All members of staff undertake training in Safeguarding issues and First Aid. GDPR improvements as per statutory guidelines are in place.

ADMISSIONS

Stella Maris is an equal opportunities school. We accept all pupils regardless of faith, ethnicity, economic status or gender. Our application process is simple and straightforward with parents completing and returning a simple registration form along with £150 registration fee and copy of their child's birth certificate. To admit a child we just need to be confident that the school will be able to educate him/her to the best of their potential and in line with general standards. These are just some of the ways in which Stella Maris School supports the local community, raises awareness amongst our pupils, parents and staff of issues in the surrounding area and provides ways to feed something back into the community in which we work, play and live. As a registered charitable trust, parents of our pupils are assured that any income of the school must be applied to educational purposes. To find out more about the public benefit that our school provides or Stella Maris as a registered charitable trust please contact the school on 0161 432 0532 or office@stellamarisschool.co.uk

RESERVES POLICY

Reserves are held to meet the working capital requirements of the school. No investment policy is applicable to these funds as any reserves above £25 are short term cashflow movements. At the end of each banking day any excess above £25 is transferred to a deposit account, in which small amounts of interest accrue.

STATEMENT OF RESPONSIBILITIES OF THE TRUSTEES

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 charity will continue in operation.

Principal address:
Stella Maris School
St Johns Road
Heaton Mersey
Stockport
Cheshire
SK4 3BR

Signed by order of the trustees



Mr J Boyd - Chair

28, May 2021

STELLA MARIS SCHOOL

INDEPENDENT EXAMINERS REPORT TO THE TRUSTEES

YEAR ENDED 31 JULY, 2020

I report to the charity trustees on my examination of the accounts of Stella Maris for the year ended 31 July, 2020

RESPONSIBILITIES AND BASIS OF THE REPORT

As the charity trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

INDEPENDENT EXAMINERS STATEMENT

Since the Company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales (ICAEW), which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



A Richard Whitehead B Com FCA

For & on behalf of:
TWJ Partnership LLP
Chartered Accountants
The Moorings
Dane Road Industrial Estate
Dane Road
Sale
Cheshire
M33 7BH

28, May 2021

STELLA MARIS SCHOOL

STATEMENT of FINANCIAL ACTIVITIES

YEAR ENDED 31 JULY, 2020

	2020		2019	
	£	£	£	£
INCOMING RESOURCES				
Incoming resources from charitable activity		432,739		429,366
Income from other activities		14,996		4,575
Investment income		0		28
TOTAL INCOMING RESOURCES		447,734		433,969
OUTGOING RESOURCES				
Charitable activities	404,984		464,499	
Expenditure on raising funds	6,323		9,368	
Other expenditure	0		30	
TOTAL OUTGOING RESOURCES		(411,308)		(473,897)
NET MOVEMENT IN FUNDS		36,427		(39,928)
Total funds brought forward		72,630		112,558
Total funds carried forward		109,057		72,630

All the activities of the entity are from continuing operations.

The entity has no other recognised items of income and expenses other than the results for the year as set out above.

STELLA MARIS SCHOOL

STATEMENT of FINANCIAL POSITION

YEAR ENDED 31 JULY, 2020

		2020		2019	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	5		<u>148,076</u>		<u>152,628</u>
			148,076		152,628
CURRENT ASSETS					
Debtors	6	7,287		4,494	
Cash at bank and in hand		<u>38,995</u>		<u>39,874</u>	
		46,281		44,368	
CREDITORS: amounts falling due within one year	7	<u>85,300</u>		<u>124,366</u>	
NET CURRENT LIABILITIES			<u>(39,019)</u>		<u>(79,998)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>109,057</u>		<u>72,630</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>109,057</u>		<u>72,630</u>
RESERVES					
Charity funds			<u>109,057</u>		<u>72,630</u>
			109,057		72,630

These financial statements were approved by the members of the committee on the 18th January 2021 and are signed on their behalf by:

Principal address:
Stella Maris School
St Johns Road
Heaton Mersey
Stockport
Cheshire
SK4 3BR

Signed by order of the trustees



Mr J Boyd - Chair

28, May 2021

STELLA MARIS SCHOOL

STATEMENT of CASH FLOWS

YEAR ENDED 31 JULY, 2020

STATEMENT OF CASH FLOWS

	2020		2019	
	£	£	£	£
RETURNS FROM OPERATING ACTIVITIES				
Profit/(Deficit) for the financial year		36,427		(39,928)
Depreciation		5,741		5,058
Interest received		0		(28)
Interest paid		2,678		1,008
Loss/(profit) on disposal of assets		0		0
Loss/(profit) on disposal of investments		0		0
		<u>44,846</u>		<u>(33,889)</u>
Decrease / (increase) in stocks		0		0
Decrease / (increase) in debtors		(2,793)		10,320
Increase / (decrease) in creditors		<u>(39,066)</u>		<u>(8,385)</u>
NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES		2,987		(31,954)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE				
Interest received	0		28	
Interest paid	<u>(2,678)</u>		<u>(1,008)</u>	
NET CASH INFLOW / (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(2,678)		(980)
CAPITAL EXPENDITURE				
Payments to acquire TFAs	<u>(1,189)</u>		<u>(36,517)</u>	
Proceeds from the sale of TFAs	0		0	
NET CASH INFLOW / (OUTFLOW) FROM CAPITAL EXPENDITURE		(1,189)		(36,517)
INCREASE / (DECREASE) IN CASH		(879)		(69,451)
CASH AT BANK AND IN HAND				
Balance brought forward		39,874		109,325
Balance at year end		<u>38,995</u>		<u>39,874</u>
		<u>(879)</u>		<u>(69,451)</u>

STELLA MARIS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY, 2020

	2020		2019	
	£	£	£	£
INCOMING RESOURCES FROM CHARITABLE ACTIVITY				
Fees	399,064		390,920	
Music and athletic clubs	12,120		16,150	
Stockport MBC	21,555		22,296	
		432,739		429,366
INCOME FROM OTHER ACTIVITIES				
Misellaneous sales	2,226		1,639	
Trip income	1,543		2,936	
Charitable collections	0		0	
Grant income	11,226		0	
		14,996		4,575
INVESTMENT INCOME				
Bank interest receivable	0		28	
		0		28
TOTAL INCOMING RESOURCES		447,734		433,969
CHARITABLE ACTIVITIES				
Staff costs	2	299,845	345,120	
Staff training		128	706	
Stationery, books and equipment		5,881	13,290	
Clubs, events and trips	3	14,589	22,281	
Rates and water		2,712	2,275	
Light and heat		9,412	11,802	
Cleaning and domestic		12,315	16,737	
Insurance		8,653	6,967	
Repairs and maintenance		5,674	4,838	
Telephone & Internet		8,235	4,984	
Postage, subscriptions and sundries		1,538	414	
Depreciation		5,741	5,058	
Professional fees	4	22,279	21,190	
Administration costs		2,411	5,251	
Support costs		151	145	
Miscellaneous costs		2,744	2,433	
Interest payable and similar charges		2,678	1,008	
		404,984		464,499
EXPENDITURE ON RAISING FUNDS				
Advertising & marketing		6,323	9,368	
		6,323		9,368
OTHER EXPENDITURE				
Charitable contribution		0	30	
		0		30
TOTAL OUTGOING RESOURCES		411,308		473,897
NET MOVEMENT IN FUNDS		36,427		(39,928)

STELLA MARIS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY, 2020

1. ACCOUNTING POLICIES

(i) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, and with the Charities Act 2011.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts.

(ii) Incoming resources

Income from fees is recognised when receivable. Investment and other income are recognised in the period in which they are received. Grants are recognised when receivable. Income received in the reporting year, relating to future periods is carried into the balance sheet as deferred income and released back into the Statement of Financial Activities at the appropriate time.

(iii) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(iv) Resources expended

Resources expended are accounted for on the accruals basis. Expenditure is attributed to cost categories based on the amount expended during the period. The irrecoverable element of VAT is included with the items of expenses to which it relates. Liabilities are recognised when service has been provided.

Cost of generating funds is expenditure on advertising the school's activities.

Charitable objectives expenditure are those costs which meet the day to day running of the charity in the provision of education.

(v) Liability recognition

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount of the obligation can be measured with reasonable certainty.

(vi) Tangible assets

Tangible fixed assets are included at cost. Fixed assets with a cost of less than £500 are not capitalised. The property has not been depreciated in accordance with FRS 15 as the trustees believe the market value to be greater than the original cost and expenditure is made and taken to the Statement of Financial Activities that enhances the property.

(vii) Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	NIL
Plant & machinery	10% reducing balance
Fixtures & fittings	25% reducing balance

(viii) Pension costs

The charity operates a Teachers' Pension Agency superannuation scheme (a defined benefits scheme) for employees. The assets of the scheme are held separately from those of the charity.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charity 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 quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the annual contributions payable are charged to the Statement of Financial Activities.

STELLA MARIS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY, 2020

2. EMPLOYEES

The average number of persons employed by the entity during the year amounted to 13 (2019: 15)

	2020	2019
	£	£
Wages and salaries	244,594	282,947
Social security costs	10,210	23,761
Other pension costs	45,040	38,412
	<u>299,845</u>	<u>345,120</u>

3. CLUBS, EVENTS AND TRIPS

	2020	2019
	£	£
School trips	830	2,796
Transport	2,181	5,035
Sport & Swimming lessons	3,929	4,991
Rent of facilities	250	835
Events	209	468
French lessons	1,050	2,100
Art lessons	2,400	5,656
Music lessons	3,740	400
	<u>14,589</u>	<u>22,281</u>

4. PROFESSIONAL FEES

	2020	2019
	£	£
Accountancy	3,000	3,000
Payroll	1,125	0
Bursar	7,244	0
Other professional fees	10,910	18,190
	<u>22,279</u>	<u>21,190</u>

STELLA MARIS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY, 2020

5. FIXED ASSETS

	Freehold property £	Plant & machinery £	Fixtures & fittings £	Total £
COST				
At 1 August, 2019	116,923	27,364	36,122	180,409
Additions	0	0	1,189	1,189
Disposals	0	0	0	0
At 31 July, 2020	116,923	27,364	37,312	181,598
DEPRECIATION				
At 1 August, 2019	0	2,280	25,501	27,781
Charge	0	2,508	3,233	5,741
Disposals	0	0	0	0
At 31 July, 2020	0	4,789	28,734	33,522
NET BOOK VALUE				
At 31 July, 2020	116,923	22,575	8,578	148,076
At 31 July, 2019	116,923	25,083	10,622	152,628

6. DEBTORS amounts owing within one year

	2020 £	2019 £
Prepayments	4,635	4,324
Fees owed	2,651	170
	7,287	4,494

Debtors are measured on initial recognition at settlement amount after any trade discounts or amount advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

7. CREDITORS amounts falling due within one year

	2020 £	2019 £
Trade creditors	9,852	7,812
Accruals	3,000	3,000
Fees received in advance	66,177	107,110
PAYE & social security	5,243	6,444
Other creditors	1,029	0
	85,300	124,366

The charity has creditors which are measured at settlement amounts less any trade discounts.

8. PENSIONS AND SIMILAR OBLIGATIONS

The charity operates a Teachers' Pension Scheme England and Wales (TPS) for academic and related staff. This is a defined benefit scheme.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was published 5th March 2019.

Employer contributions amounting to £44,445.28 (2019: £36,588.54) were payable to the schemes in the year ending 31 July 2020.

STELLA MARIS SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY, 2020

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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

The Teachers' Pensions etc. (Amendment) Regulations 2019 (Statutory Instrument 2019/1134) were laid before the Houses of Parliament on 17 July 2019. These changes came into effect from 1 September 2019.

The TPS is a multi-employer pension scheme. The charity is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the charity has accounted for its contributions to the scheme as if it were a defined contribution scheme.

Valuation of the Teachers Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions. The valuation report was published by the Department for Education on 5 March 2019. The key results of the valuation are as follows:

- Uncorrected employer contribution rate effective over the implementation period: 19.5% of pensionable pay. This is an increase of 3.1% on the current contribution rate. This increase is primarily due to the reduction in the SCAPE discount rate to 2.4% pa above CPI with effect from 1 April 2019.
- Corrected employer contribution rate payable over the implementation period: 22.8% of pensionable pay. This is an increase of 6.4% on the current contribution rate. This rate is calculated in the same way as the uncorrected employer contribution rate except that the accrual rate of the 2015 Scheme is assumed to be improved from 1 April 2019 to the extent necessary such that the employer contribution correction cost equals the target cost of the scheme.

The new employer contribution rate is applicable from 1 April 2019 and was implemented for the TPS from September 2019.

A copy of the valuation report and supporting documentation is on the Teachers' Pension website: (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).