

Company Registration No 07401748 (England and Wales)

**ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2013**

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# **ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

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# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

Mr N A Gerrard  
Mr R P King (Chair)  
Mrs S A O'Grady (Principal)  
Mr P A Griffiths

### Senior management team

- Principal Mrs S O'Grady  
- Business Manager Mrs J Fulford

### Company registration number

07401748 (England and Wales)

### Registered office

Salter Street  
Earlswood  
Solihull  
West Midlands  
B94 6DE

### Independent auditor

Jerroms LLP  
The Exchange  
Haslucks Green Road  
Shirley  
Solihull  
West Midlands  
B90 2EL

### Bankers

Lloyds TSB  
22A Great Hampton Street  
Birmingham  
B18 6AH

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2013**

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The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2012 to 31 August 2013

### **Structure, governance and management**

#### Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of St Patrick's Church of England Primary Academy are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

#### Members' liability

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

#### Trustees' indemnities

There are no qualifying third party indemnity provisions in place.

#### Principal activities

Our purpose is to provide an excellent rounded education enabling our pupils to achieve their individual potential, within a caring and supportive Christian environment.

#### Method of recruitment and appointment or election of trustees

The Academy Trust is made up of five members, these members are responsible for the appointment of governors. The Trust will always include a member of the Tamworth Educational Foundation.

The Trust Members are as follows:

The Present Chair

The Principal (Head teacher)

Two members of the Tamworth Educational Foundation

One, who is not a governor, but who was, by agreement on conversion, appointed a member of the Tamworth Educational Foundation.

Governors are as follows:

One is appointed by the Birmingham Diocese Board of Education

One is elected by the staff of the school

One is appointed by the Local Authority

Two are elected by the parents

Two appointed by the Tamworth Educational Foundation

A N other who may be the parish priest

#### Policies and procedures adopted for the induction and training of trustees

The Academy provides training for trustees through Solihull MBC provision.

#### Organisational structure

Governing Body is made up of committees - Finance, Buildings and Curriculum

The Trustees, who are all members of the Finance Committee review and approve the budget plan and receive regular monitoring statements to ensure the financial position of the school is stable.

The Buildings Committee draws up proposals for improvements to the school's environment, inside and out, to present to Finance Committee, so that decisions can be made regarding costs.

# **ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2013***

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### Risk management

The Academy maintains and operates a system of internal control to safeguard all the resources delegated, granted or otherwise entrusted and ensures they are used cost effectively

The system of internal control has been developed and coordinated by the Principal. It aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or regularities are either prevented or can be detected promptly.

### Connected organisations and related party relationships

The Academy Trust has entered into a Tenancy at Will agreement with the Tanworth Education Foundation who retain ownership of the land and buildings from which the school and nursery operate.

### **Objectives and activities**

#### Objects and aims

#### Mission statement

Our purpose is to provide an excellent rounded education enabling our pupils to achieve their individual potential, within a caring and supportive Christian environment.

#### Safeguarding statement

At St Patrick's Church of England Primary Academy, the welfare of all pupils is of paramount importance. School must provide a secure environment in which children can flourish, are encouraged to talk and are listened to. In order to do this a wide range of safeguarding measures are put in place. Core activities and opportunities for children must be included in the curriculum in order for them to acquire the skills and attitudes required to keep themselves safe and prepare themselves for responsibilities in their adult lives. We have a comprehensive Child Protection Policy. Our safeguarding policy complements and supports other school policies. Parents are welcome to view any school policies and are involved in reviewing policies.

# **ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### Objectives, strategies and activities

At St Patrick's Church of England Primary Academy our aims are

- to promote the Christian faith and encourage Christian moral values, principles and understanding, as well as respect for people of different cultures and faiths
- to promote social, cultural, moral and spiritual development, preparing pupils to be responsible citizens
- to be an inclusive school where all children are valued and no child is treated less favourably than another child
- to create an interesting and stimulating environment which reflects our values and promotes a real sense of community as well as an individual sense of self-worth
- to develop a community of lifelong learners where access to knowledge is an entitlement and achievement recognised
- to provide learning experiences that will allow all pupils to develop their thinking and creative skills
- to ensure that the Every Child Matters agenda is realised
- to realise the potential of each and every pupil

The academy seeks to continually improve standards of teaching and learning throughout the school and to provide a broad, relevant and challenging curriculum for its pupils. In 2012/13 the priority has been to concentrate improvements on packages purchased through the local authority.

The school has a comprehensive school improvement plan which is updated annually. Areas of improvement are prioritised and an action plan written. Action plans include objectives, action to be taken and predicted costs, relevant in-service training, people responsible and success criteria. The school undertakes extensive and regular self-evaluation. This includes monitoring and evaluation of the pupil progress through assessment, work trawls, learning walks, lesson observation, interviews, objective and target setting and performance management.

The priorities for the improvement for 2012-13 continue with maintaining high levels of attainment in Maths and English, this will be supported by the implementation of a new Maths scheme and the addition of new playground markings to enhance our provision of outdoor learning opportunities. Scoping the development of ICT and how this can be developed for learning within the classroom. Additionally the development of SEN provision in light of new requirements.

### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

# **ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### **Achievements and performance**

#### Achievements in the year

The School sustained very high standards of achievement in the reporting period in all key phases. The school was placed in the top 500 Primary Schools in The Sunday Times Top Performing schools league table. The table was based on the last 3 years of results.

The school met its performance targets in 2012/13. Parental support for the children's achievement remains to be excellent, particularly with homework and communication with the school. Governors and trusts are very supportive. The school had a good reputation in the local community and levels of attainment are high comparative to local schools.

The PTA raised funds for the school through planned events. The Christmas fair proved a great success once again. The funds raised will be used to aid learning within the foundation stage. Our annual charity event rose over £3,000 which went to the Birmingham Children's Hospital.

#### Going concern

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

### **Financial review**

The academy is in a healthy financial position at the end of the financial year, and is committed to improving standards in all periods. The school improvement plan shows its aims and objectives and indicates where the resources will be spent in future years.

The academy is dependent on the support of the EFA, and it does have limited support for specified resources from Tamworth Educational Foundations and the parents association.

#### Principal risks and uncertainties

Due to the rural location of St Patrick's Primary Academy, the designated catchment area contains very few houses. As a result the area from which our intake comes is from a wide area. Year on year we need to maintain high standards in order to attract prospective parents from other catchment areas. Numbers are a key driver to the success of the school and as such a dip in performance could lead to a drop in numbers hence affecting future funding.

Additionally a proven Secondary Academy has taken over a struggling local junior school. Children attending this school will automatically gain entry to the link Secondary School. Currently the school intake starts at KS2, however the school are proposing changes to its admission's to take children from FS2. As a result this could also affect the numbers applying to St Patrick's Academy.

#### Reserves policy

Our policy is to aim to hold £100,000 in cash reserve, deemed necessary to cover the main running costs of the academy for 2 months in the event of a major variation in circumstances.

#### Investment policy and powers

Cash reserves are held in the current account at Lloyds TSB. This policy has been adopted by the Governing Body as a low risk, easy cash access strategy which suits the Academy's finances and business management. No alternative investment strategies have been considered.

### **Plans for the future**

The School Improvement Plan for 2012/2013 has several targets including developing an assessment policy to ensure progression in teaching and learning, a reading policy to raise pupil enjoyment and standards. The school aims to sustain high standards in mathematics, and to make more effective use of building and grounds to enhance curriculum delivery and staff and storage facilities.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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In the coming year, the school will be taking over control of the wraparound provision offered to parents. The provision will cover 38 weeks of the year, where parents will be able to drop children from 7.30am and pick up to 6 pm.

EFA bidding will be taking place for improvements to the school kitchen, from September 2014 all KS1 and KS2 pupils will be entitled to a free school meal. Over the years the school has had much development, but the kitchen has remained unchanged, the pupil numbers have risen from 90 to over 240 and as a result the kitchen is no longer sufficient to meet the current demands for school meals.

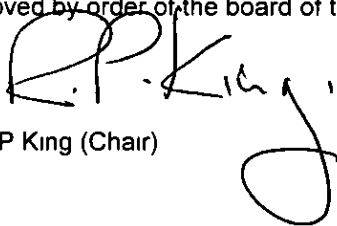
### **Auditor**

In so far as the trustees are aware:

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

A resolution proposing that Jerroms LLP be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the board of trustees on 04 December 2013 and signed on its behalf by



Mr R P King (Chair)

# **ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

## **GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2013**

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### **Scope of responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between St Patrick's Church Of England Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year.

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Patrick's Church Of England Primary Academy for the period 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees,
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2013**

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The board of trustees has considered the need for a specific internal audit function and has decided

- not to appoint an internal auditor. However the trustees have appointed Jerroms LLP, the external auditor, to perform additional checks

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

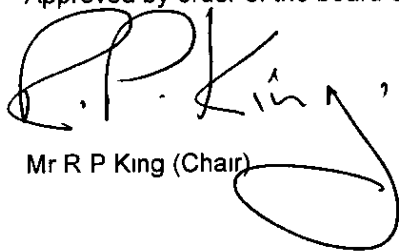
### Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by

- the work of the external auditor,
- the financial management and governance self-assessment process,
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee/finance and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 04 December 2013 and signed on its behalf by



Mr R P King (Chair)



Mrs S A O'Grady (Principal)

# **ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2013**

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As accounting officer of St Patrick's Church of England Primary Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the funding agreement in place between the academy trust and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Approved on 04 December 2013 and signed by



Mrs S A O'Grady (Principal)  
**Accounting Officer**

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The trustees (who also act as governors for St Patrick's Church of England Primary Academy and are also the directors of St Patrick's Church of England Primary Academy for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

In preparing these accounts, 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 accounting 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 charitable company will continue in business.

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

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 04 December 2013 and signed on its behalf by

  
Mr R P King (Chair)

# **ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

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We have audited the accounts of St Patrick's Church of England Primary Academy for the year ended 31 August 2013 set out on pages 15 to 37. 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) and the Academies Accounts Direction 2013 issued by the EFA.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees, who are also the directors of St Patrick's Church of England Primary Academy 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.

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 trustees, and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts. 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 2013 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 in accordance with the requirements of the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the EFA.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

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#### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mr Richard Alan Horton F.C.C.A (Senior Statutory Auditor)  
for and on behalf of Jerroms LLP

#### Chartered Certified Accountants

##### Statutory Auditor

The Exchange  
Haslucks Green Road  
Shirley  
Solihull  
West Midlands  
B90 2EL

Dated

4 December 2013

# **ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 03 November 2010 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Patrick's Church of England Primary Academy during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

### **Respective responsibilities of St Patrick's Church of England Primary Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of St Patrick's Church of England Primary Academy's funding agreement with the Secretary of State for Education dated [x] and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

- The work undertaken to draw to our conclusion includes
- obtaining sufficient understanding of the framework and authorities,
- discussion of procedures relating to regularity with the accounting officer,
- review of work performed during the internal audit function,
- tailoring of specific tests in the following areas
- - evaluation of the control environment
- - testing the application of funds
- - authorisation of expenditure
- - review of accounts with a greater susceptibility to impropriety
- - consideration of transactions outside of the delegated authority levels

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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### Conclusion

In the course of our work, [except for the matters listed below] nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

  
Jerroms LLP  
Chartered Certified Accountants

Dated 4 December 2013

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2013

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2013	Total 2012
	Notes	£	£	£	£	£
<b>Incoming resources</b>						
<i>Resources from generated funds</i>						
- Voluntary income	3	976	29,480	-	30,456	13,697
- Activities for generating funds	4	55,874	-	-	55,874	64,283
- Investment income	5	737	-	-	737	683
<i>Resources from charitable activities</i>						
- Funding for educational operations	6	-	899,529	6,751	906,280	964,225
<b>Total incoming resources</b>		<b>57,587</b>	<b>929,009</b>	<b>6,751</b>	<b>993,347</b>	<b>1,042,888</b>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
<i>Charitable activities</i>						
- Educational operations	8	-	905,120	4,472	909,592	868,398
Governance costs	9	-	10,088	-	10,088	11,386
<b>Total resources expended</b>	7	<b>-</b>	<b>915,208</b>	<b>4,472</b>	<b>919,680</b>	<b>879,784</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>57,587</b>	<b>13,801</b>	<b>2,279</b>	<b>73,667</b>	<b>163,104</b>
Gross transfers between funds		86,782	(111,770)	24,988	-	-
<b>Net income/(expenditure) for the year</b>		<b>144,369</b>	<b>(97,969)</b>	<b>27,267</b>	<b>73,667</b>	<b>163,104</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	18	-	12,000	-	12,000	(20,000)
<b>Net movement in funds</b>		<b>144,369</b>	<b>(85,969)</b>	<b>27,267</b>	<b>85,667</b>	<b>143,104</b>
Fund balances at 1 September 2012		79,457	54,052	13,428	146,937	3,833
<b>Fund balances at 31 August 2013</b>		<b>223,826</b>	<b>(31,917)</b>	<b>40,695</b>	<b>232,604</b>	<b>146,937</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the two financial periods above.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

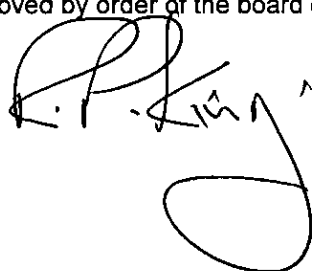
## BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013 £	£	2012 £	£
<b>Fixed assets</b>					
Tangible assets	12		20,516		13,767
<b>Current assets</b>					
Debtors	13	48,319		39,369	
Cash at bank and in hand		316,553		273,825	
		<u>364,872</u>		<u>313,194</u>	
Creditors amounts falling due within one year	14	(9,784)		(30,024)	
<b>Net current assets</b>			355,088		283,170
<b>Total assets less current liabilities</b>			375,604		296,937
Defined benefit pension liability	18	(143,000)		(150,000)	
<b>Net assets</b>			<u>232,604</u>		<u>146,937</u>
<b>Funds of the academy trust.</b>					
<b>Restricted income funds</b>	16				
- Fixed asset funds			40,695		13,428
- General funds			74,636		167,605
- Pension reserve			(106,553)		(113,553)
<b>Total restricted funds</b>			8,778		67,480
<b>Unrestricted funds</b>	16		223,826		79,457
<b>Total funds</b>			<u>232,604</u>		<u>146,937</u>

The accounts were approved by order of the board of trustees and authorised for issue on 04 December 2013

Mr R P King (Chair)



Company Number 07401748

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2013

	Notes	2013 £	2012 £
Net cash inflow/(outflow) from operating activities	19	46,461	132,419
<b>Returns on investments and servicing of finance</b>			
Investment income		737	683
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		737	683
		47,198	133,102
<b>Capital expenditure and financial investments</b>			
Capital grants received		6,751	6,672
Payments to acquire tangible fixed assets		(11,221)	(15,995)
<b>Net cash flow from capital activities</b>		(4,470)	(9,323)
<b>Increase/(decrease) in cash</b>	20	42,728	123,779

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

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### 1 Accounting policies

#### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

#### 1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

##### Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

##### Donations

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

##### Other income

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

##### Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 1 Accounting policies

(Continued)

#### 1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

##### Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

##### Charitable activities

These are costs incurred on the academy trust's educational operations.

##### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

#### 1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Plant & Machinery	10 years straight line
Computer equipment	5 years straight line
Fixtures, fittings & equipment	10 years straight line

#### 1.6 Leasing and hire purchase commitments

The Tanworth Educational Foundation (TEF) have given permission for Tanworth in Arden Academy Trust to use their land and buildings on conversion to an Academy. This permission is via a tenancy at will and is given subject to the understanding that TEF retains ownership of the land and buildings and retains all rights and obligations that currently exist.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 1 Accounting policies

(Continued)

#### 1.7 Taxation

The academy 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 academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.8 Pensions benefits

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

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 quinquennial valuations using a prospective benefit method. As stated in Note 18, 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 contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### 1.9 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2013 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2013.

### 3 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Other donations	976	29,480	30,456	13,697

### 4 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Hire of facilities	6,295	-	6,295	6,063
Catering income	31,241	-	31,241	41,468
Parental contributions	13,996	-	13,996	16,752
Other income	4,342	-	4,342	-
	55,874	-	55,874	64,283

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Short term deposits	737	-	737	683

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 6 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
<b>DfE / EFA revenue grants</b>				
General annual grant (GAG)	-	859,383	859,383	849,062
Capital grants	-	6,751	6,751	6,672
Other DfE / EFA grants	-	-	-	41,727
	-	866,134	866,134	897,461
<b>Other government grants</b>				
Local authority grants	-	40,146	40,146	60,272
<b>Other funds</b>				
Other incoming resources	-	-	-	6,492
<b>Total funding</b>	-	906,280	906,280	964,225

### 7 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2013 £	Total 2012 £
<b>Academy's educational operations</b>					
- Direct costs	650,006	-	45,207	695,213	702,543
- Allocated support costs	2,000	36,309	176,070	214,379	165,855
	652,006	36,309	221,277	909,592	868,398
<b>Other expenditure</b>					
Governance costs	-	-	10,088	10,088	11,386
<b>Total expenditure</b>	652,006	36,309	231,365	919,680	879,784

<b>Incoming/outgoing resources for the year include:</b>	<b>2013 £</b>	<b>2012 £</b>
Fees payable to auditor		
- Audit	2,250	2,250
- Other services	2,220	5,298

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 8 Charitable activities - the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	650,006	650,006	633,572
Educational supplies and services	-	26,487	26,487	46,846
Staff development	-	2,899	2,899	9,308
Other direct costs	-	15,821	15,821	12,817
	-	695,213	695,213	702,543
<b>Allocated support costs</b>				
Support staff costs	-	2,000	2,000	(7,000)
Depreciation	-	4,472	4,472	2,228
Technology costs	-	18,324	18,324	4,993
Maintenance of premises and equipment	-	31,837	31,837	9,382
Cleaning	-	11,811	11,811	13,041
Energy costs	-	25,992	25,992	23,681
Rent and rates	-	6,487	6,487	8,360
Insurance	-	18,899	18,899	13,794
Security and transport	-	2,216	2,216	1,962
Interest and finance costs	-	3,000	3,000	6,000
Other support costs	-	89,341	89,341	89,414
	-	214,379	214,379	165,855
<b>Total costs</b>	-	909,592	909,592	868,398

### 9 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Legal and professional fees	-	6,703	6,703	7,956
Auditor's remuneration				
- Audit of financial statements	-	2,250	2,250	2,250
- Other audit costs	-	1,135	1,135	1,180
	-	10,088	10,088	11,386

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 10 Staff costs

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows

	2013 Number	2012 Number
Teachers	8	8
Administration and support	6	6
Management	2	2
	<u>16</u>	<u>16</u>

Costs included within the accounts	2013 £	2012 £
Wages and salaries	535,266	527,114
Social security costs	42,141	31,584
Other pension costs	74,599	67,874
Supply teacher costs	-	-
	<u>652,006</u>	<u>626,572</u>

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

	2013 Number	2012 Number
	<u>1</u>	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows

		2013	2012
Teachers' Pension Scheme	Numbers	1	1
	£	<u>9,075</u>	<u>9,477</u>
Local Government Pension Scheme	Numbers	-	-
	£	<u>-</u>	<u>-</u>

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 11 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £0 (2012 £0) were reimbursed to 0 trustees (2012 0 trustees).

The value of trustees' remuneration was as follows

Mrs S O'Grady (principal) £70,000 - £75,000 (2012 £70,000 - £75,000)

Mrs C Glennon (staff governor) £45,000 - £50,000

Other related party transactions involving the trustees are set out within the related parties note

#### Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim.

### 12 Tangible fixed assets

	Plant & Machinery	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2012	3,192	6,283	6,520	15,995
Additions	-	11,221	-	11,221
At 31 August 2013	3,192	17,504	6,520	27,216
<b>Depreciation</b>				
At 1 September 2012	319	1,257	652	2,228
Charge for the year	319	3,501	652	4,472
At 31 August 2013	638	4,758	1,304	6,700
<b>Net book value</b>				
At 31 August 2013	2,554	12,746	5,216	20,516
At 31 August 2012	2,873	5,026	5,868	13,767

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

13 Debtors	2013 £	2012 £
Trade debtors	10,715	15,067
Other debtors	24,341	22,680
Prepayments and accrued income	13,263	1,622
	<u>48,319</u>	<u>39,369</u>
14 Creditors amounts falling due within one year	2013 £	2012 £
Taxes and social security costs	-	3,509
Other creditors	-	2,934
Accruals	7,754	23,581
Deferred income	2,030	-
	<u>9,784</u>	<u>30,024</u>
15 Deferred income	2013 £	2012 £
Deferred income is included within		
Creditors due within one year	<u>2,030</u>	<u>-</u>
Total deferred income at 1 September 2012	-	-
Amounts credited to the statement of financial activities	-	-
Amounts deferred in the year	<u>2,030</u>	<u>-</u>
Total deferred income at 31 August 2013	<u>2,030</u>	<u>-</u>

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 16 Funds

	Balance at 1 September 2012	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2013
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	80,823	859,383	(840,582)	(24,988)	74,636
Other government grants	-	40,146	(40,146)	-	-
Other restricted funds	86,782	29,480	(29,480)	(86,782)	-
	<u>167,605</u>	<u>929,009</u>	<u>(910,208)</u>	<u>(111,770)</u>	<u>74,636</u>
Funds excluding pensions	167,605	929,009	(910,208)	(111,770)	74,636
Pension reserve	(113,553)	-	(5,000)	12,000	(106,553)
	<u>54,052</u>	<u>929,009</u>	<u>(915,208)</u>	<u>(99,770)</u>	<u>(31,917)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	13,428	6,751	-	-	20,179
Capital expenditure from GAG or other funds	-	-	(4,472)	24,988	20,516
	<u>13,428</u>	<u>6,751</u>	<u>(4,472)</u>	<u>24,988</u>	<u>40,695</u>
<b>Total restricted funds</b>	<u>67,480</u>	<u>935,760</u>	<u>(919,680)</u>	<u>(74,782)</u>	<u>8,778</u>
<b>Unrestricted funds</b>					
General funds	79,457	57,587	-	86,782	223,826
<b>Total funds</b>	<u>146,937</u>	<u>993,347</u>	<u>(919,680)</u>	<u>12,000</u>	<u>232,604</u>

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

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### 16 Funds

(Continued)

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

#### **General Annual Grant (GAG)**

The GAG must be used for the normal running costs of the academy

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2013. Note 2 discloses whether the limit was exceeded.

#### **Other government grants**

Other government grants relates to local authority grants and funding for specific purposes such as special education needs.

#### **Other restricted funds**

Other restricted funds relates to funds received for specific purposes from other sources.

#### **Pension reserve**

The pension reserve relates to the deficit on the Local Government Pension Scheme.

#### **DfE / EFA capital grants**

DfE / EFA capital grants relates to the Devolved Formula Capital Grant.

#### **General funds**

General funds relates to funds which are unrestricted in nature and therefore can be used as the Trustees deem appropriate.

During the year, the following transfers took place:

- Transfer from GAG fund to restricted fixed asset funds of £11,221 to purchase fixed assets in relation to the year ended 31 August 2013.
- Transfer from GAG fund to restricted fixed asset funds of £13,767 to purchase fixed assets in relation to the year ended 31 August 2012.
- Transfer of assets on conversion from restricted funds to unrestricted funds of £86,782 as the fund is now to be treated as unrestricted.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2013 are represented by:</b>				
Tangible fixed assets	-	-	20,516	20,516
Current assets	225,856	118,837	20,179	364,872
Creditors amounts falling due within one year	(2,030)	(7,754)	-	(9,784)
Defined benefit pension liability	-	(143,000)	-	(143,000)
	<u>223,826</u>	<u>(31,917)</u>	<u>40,695</u>	<u>232,604</u>

### 18 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hymans Robertson Both are defined-benefit schemes The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2010

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

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract Teachers and lecturers are able to opt out of the TPS

##### The Teachers' Pension Scheme budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament 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 under arrangements governed by the above Act

The Teachers' Pensions 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, 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

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2013

#### 18 Pensions and similar obligations

(Continued)

##### Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate ('SCR') was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

##### Teachers' Pension Scheme changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include a pension based on career average earnings, an accrual rate of 1/57th, and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40/80/100 percent basis.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 Pensions and similar obligations

(Continued)

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20.42 per cent for employers and between 5.5 to 7.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £21,000.

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

	2013 £	2012 £
Employer's contributions	23,000	27,000
Employees' contributions	6,000	6,000
Total contributions	<u>29,000</u>	<u>33,000</u>

#### Principal actuarial assumptions

	2013 %	2012 %
Rate of increase in salaries	3.95	3.75
Rate of increase for pensions in payment	2.20	2.00
Discount rate for scheme liabilities	4.10	3.70
Inflation assumption (CPI)	<u>2.20</u>	<u>2.00</u>

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 Pensions and similar obligations

(Continued)

Sensitivity analysis at 31 August 2013

Disclosure item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3
	£000's	+0 1% p a discount rate £000's	+0 1% p a inflation £000's	1 year increase in life expectancy £000's
Liabilities	272	269	276	277
Assets	(129)	(129)	(129)	(129)
Deficit/(Surplus)	143	140	147	148
Projected Service Cost for next year	24	23	24	24
Projected Expected Return on Assets for next year	(8)	(8)	(8)	(8)
Projected Interest Cost for next year	11	12	12	12

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

	2013 Years	2012 Years
Retiring today		
- Males	22	22
- Females	25	25
Retiring in 20 years		
- Males	24	24
- Females	27	27

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 Pensions and similar obligations

(Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were

	2013 Expected return %	2013 Fair value £	2012 Expected return %	2012 Fair value £
Equities	7.00	55,000	7.00	56,000
Government bonds	3.40	11,000	2.50	9,000
Other bonds	4.40	14,000	-	-
Cash/liquidity	0.50	5,000	-	-
Property	5.70	11,000	6.00	10,000
Other assets	7.00	33,000	7.00	15,000
Total market value of assets		129,000		90,000
Present value of scheme liabilities - funded		(272,000)		(252,000)
Net pension asset / (liability)		(143,000)		(162,000)

The expected rate of return on plan assets is based on market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the following assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class.

The assumed investment return on government bonds is the yield on 20-year fixed interest gilts at the relevant date. As at 31 August 2013 this yield was 3.4% p.a.

The expected investment return on corporate bonds is based on market yields at the relevant date, less a reduction to reflect a risk of default in the corporate bond yield. This means that the expected return on corporate bond investments is lower than the discount rate used in the calculations. As at 31 August 2013 the expected return has been taken as 4.4% p.a., which implies a reduction for the risk of default of 0.1% p.a. when compared with the corporate bond yield/discount rate appropriate to the "mature" deviation profile for example.

It is generally accepted that the yield on equity investments will contain an "equity risk premium" in addition to the yield on Government bonds, which are perceived as the "least risk" investment class, in order to compensate investors for the additional risk of holding this type of investment. Historical excess equity returns over more than 100 years have been approximately 4% p.a. on average. However, the level of equity risk premium can vary from time to time dependent on market levels and expectations for future returns. We have taken the overall expected return on equities as at 31 August 2013 as 7% p.a., implying an equity risk premium on equities of 3.6% p.a. over and above the gilt yield of 3.4% p.a.

Assumed returns on property are based on the expected long term returns on cash investments plus a risk premium to allow for expected out performance of property over cash, and an adjustment for the impact of the expected volatility of the returns.

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 Pensions and similar obligations

(Continued)

#### Operating costs and income recognised in the statement of financial activities

	2013 £	2012 £
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(6,000)	(6,000)
Interest on pension liabilities	9,000	12,000
	<u>3,000</u>	<u>6,000</u>
<b>Other expenditure/(income)</b>		
Current service cost	25,000	20,000
Past service cost	-	-
	<u>25,000</u>	<u>20,000</u>
<b>Total operating charge/(income)</b>	<u>28,000</u>	<u>26,000</u>

#### Actuarial gains and losses recognised in the statement of financial activities

	2013 £	2012 £
Actuarial (gains)/losses on assets actual return less expected	(5,000)	20,000
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	(7,000)	-
<b>Total (gains)/losses</b>	<u>(12,000)</u>	<u>20,000</u>
<b>Cumulative (gains)/losses to date</b>	<u>(6,000)</u>	<u>6,000</u>

#### Movements in the present value of defined benefit obligations were as follows

	2013 £	2012 £
Opening defined benefit obligations	(252,000)	(228,000)
Current service cost	(25,000)	(20,000)
Interest cost	(9,000)	(12,000)
Contributions by employees	(6,000)	(6,000)
Actuarial gains/(losses)	7,000	(21,000)
Benefits paid	13,000	35,000
	<u>(272,000)</u>	<u>(252,000)</u>

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

### 18 Pensions and similar obligations

(Continued)

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

	2013 £	2012 £
Opening fair value of scheme assets	102,000	97,000
Expected return on assets	6,000	6,000
Actuarial gains/(losses)	5,000	1,000
Contributions by employers	23,000	27,000
Contributions by employees	6,000	6,000
Benefits paid	(13,000)	(35,000)
	<u>129,000</u>	<u>102,000</u>

#### History of experience gains and losses

	2013 £	2012 £	2011 £
Present value of defined benefit obligations	(272,000)	(252,000)	(228,000)
Fair value of share of scheme assets	<u>129,000</u>	<u>102,000</u>	<u>97,000</u>
Surplus / (deficit)	<u>(143,000)</u>	<u>(150,000)</u>	<u>(131,000)</u>
Experience adjustment on scheme liabilities	7,000	(21,000)	4,000
Experience adjustment on scheme assets	<u>5,000</u>	<u>1,000</u>	<u>(4,000)</u>

### 19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2013 £	2012 £
Net income	73,667	163,104
Capital grants and similar income	(6,751)	(6,672)
Investment income	(737)	(683)
FRS17 pension costs less contributions payable	2,000	(7,000)
FRS17 pension finance income	3,000	6,000
Depreciation of tangible fixed assets	4,472	2,228
(Increase)/decrease in debtors	(8,950)	2,244
Increase/(decrease) in creditors	(20,240)	(26,802)
Net cash inflow/(outflow) from operating activities	<u>46,461</u>	<u>132,419</u>

# ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2013

20	Reconciliation of net cash flow to movement in net funds	2013 £	2012 £
	Increase/(decrease) in cash	42,728	123,779
	Net funds at 1 September 2012	273,825	150,046
	Net funds at 31 August 2013	316,553	273,825

21	Analysis of net funds	At 1 September 2012 £	Cash flows £	Non-cash changes £	At 31 August 2013 £
	Cash at bank and in hand	273,825	42,728	-	316,553

## 22 Commitments under operating leases

At 31 August 2013 the academy trust had annual commitments under non-cancellable operating leases as follows

	2013 £	2012 £
Expiry date		
- Within one year	220	-

## 23 Related parties

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

The Tanworth Educational Foundation (TEF) have given permission for Tanworth in Arden Academy Trust to use their land and buildings on conversion to an Academy. This permission is via a tenancy at will and is given subject to the understanding that TEF retains ownership of the land and buildings and retains all rights and obligations that currently exist.

During the year TEF provided grants in the sum of £23,128 in relation to funding for fencing and music lessons.

During the year an interest free loan was made to Mrs C Glennon (staff governor), the balance at 31 August 2013 amounted to £6,700, this is repayable in monthly instalments over 5 years from March 2013.

# **ST PATRICK'S CHURCH OF ENGLAND PRIMARY ACADEMY**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2013***

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### **24 Members' liability**

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