
THE CATHOLIC ACADEMY TRUST IN HAVANT

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2013

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THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

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THE CATHOLIC ACADEMY TRUST IN HAVANT
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013**

Trustees

A Hastilow, Chair of Trustees¹
Capt P A Quinn OBE RN, Vice Chair¹
A F Navato, Vice Chair¹
M Quinn, Headteacher²
Mrs V Bartolo¹
Fr K Bidgood¹
P C Brookes³
Cdre D J R Dickens CBE RN³
Mrs L M Durbin¹
Cdre M D Evans (appointed 24 September 2013)⁴
Canon R M D Hind (resigned 22 May 2013)¹
Mrs J G Hoar (appointed 11 September 2013)¹
Dr J P Hogan¹
Mrs K M Hulme¹
C H Jones¹
Ms J D C McCall²
Comm R Morris (RN) (resigned 17 October 2012)
P Phillips (appointed 18 October 2012)⁴
D J Pragnell (resigned 30 November 2012)
B C Shaw (appointed 19 September 2013)²
Mrs S Shepherd (resigned 23 July 2013)²
P E Smith²
Mrs L Sutton⁴
P J Wade¹

¹ Foundation

² Staff

³ Community

⁴ Parent

Company registered number

07721932

Principal and registered office

Stakes Hill Road
Waterlooville
Portsmouth
Hampshire
PO7 7LT

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2013

Advisers (continued)

Company secretary

Ms J D C McCall

Senior management team

Mr M Quinn, Headteacher
Mrs J Oldroyd, Deputy Headteacher
Dr A Howson, Deputy Headteacher
Mr R Cunningham, Assistant Headteacher
Mrs D McConn-Finch, Assistant Headteacher
Mrs B Ludlam, Director of Sixth Form
Ms J McCall, Director of Finance and Business

Independent auditors

Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Bankers

National Westminster Bank plc
North Harbour Business Park
Compass Road
Portsmouth
Hampshire
PO6 4RS

Solicitors

Blake Lapthorn
New Kings Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3LG

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013

Structure, governance and management

CONVERSION TO ACADEMY STATUS

Oaklands Catholic School and Sixth Form College was established in 1971 by the Diocese of Portsmouth as a voluntary aided, mixed comprehensive school for students from eleven to eighteen years of age to provide a Catholic education to the community and is positioned on a site of a former Convent school in Waterlooville, Hampshire. The large grounds have enabled the school to grow to its current size of over 1,300 students housed in 10 buildings with extensive playing fields, tennis courts and sports halls. The school's success is rooted in a strong academic tradition which sits alongside the caring environment which celebrates each student as an individual and seeks to ensure they achieve their full potential developed in the Christian faith and the Catholic tradition. The school is consistent in achieving high levels of attainment by its students both at GCSE and A Level and its reputation means that admissions to year 7 are annually oversubscribed. The Sixth Form provision has expanded over recent years and is proud to provide a well-rounded post 16 education to both current students and to those applying from other schools post GCSE. There is a wide range of options available to suit all abilities and interests to prepare students for high quality university education and careers, developed in the strong pastoral Catholic tradition.

The decision to convert from a Voluntary Aided Secondary School to an Academy Trust was taken following a six month period of consultation and agreement with the Diocese, the local community, staff and parents.

On 1st September 2011 the conversion took place. The school is now part of The Catholic Academy Trust in Havant. The trust is a multi-academy trust. This allows other schools to join the trust should they wish to convert to Academy status. There are no other schools looking to join the trust at present.

The financial benefits and freedoms resulting from conversion were considered to be essential to allow the school to maintain the staffing levels that provide the best opportunities for students to achieve their full potential and to enable vital refurbishment works to support the curriculum and provide a safe environment.

The school was already part of a soft federation of nine secondary schools in the Havant area and the conversion to academy status confirmed the governors' commitment to support secondary education in the local community by its link with Warblington and to primary education via its feeder schools and the wider Catholic family of schools.

a. CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The Trust Company was incorporated on 28 July 2011 and commenced trading on 1 September 2011. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Directors of The Catholic Academy Trust in Havant currently act as the Local Governing Body and also as the trustees for the charitable activities of Trust Company for the purposes of company law. The Charitable Company is known as Oaklands Catholic School and Sixth Form College.

Details of the Governors who served throughout the year are included in the Reference and Details on Page 1.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

b PRINCIPAL ACTIVITIES

The Academy Trust was incorporated on 28 July 2011 to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the development and maintenance of Catholic education offering a broad and balanced curriculum and conducted in accordance with the principles and practices of the Catholic Church and all Catholic Canon Law

c 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

d. TRUSTEES' INDEMNITIES

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

e. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The three Members of the Trust Company are appointed by the Diocesan Bishop to be responsible for the affairs and management of the Trust. The trustees are the directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The Secretary of State may appoint trustees in exceptional circumstances. No appointments were made by the Secretary of State in 2012/13. Trustees may be removed by the person who appointed them. All trustees are appointed for a four year term with the exception of the Headteacher who is entitled to be a Trustee for as long as he or she is Headteacher. Trustees are also required to be elected by the parents of the students attending the Academy, the teaching staff and by the support staff at the Academy. There must be three parent trustees and two teaching staff and one support staff trustee. A ballot will take place where more than one nomination is received during an election process. When a vacancy occurs the trustees will ensure that all appropriate parties are made aware of the election opportunities and the process to be followed. Information given to new and prospective parents via prospectus's and the website actively seeks to recruit new governors

f. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

New trustees/governors are provided with appropriate training. This commences with an induction meeting with the Chair of Governors and Headteacher prior to attending their first meeting following this the new trustee/governor is assigned a mentor to provide support and guidance through their first year in position. The Academy will provide training through the Diocese School's Department and the Local Authority Governor Services team tailored to suit their individual requirements

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

g. ORGANISATIONAL STRUCTURE

The Academy is governed by the Trustee board which delegates functions as appropriate to the Local Governing Body. Currently the trustees act as the Local Governing Body of the Academy. The trustees/governors exercise their powers and functions with a view to fulfilling a largely strategic role in the running of the academy and support and challenge the Senior Leadership Team in their responsibilities for the day to day management of the organisation. The aim of the management structure is to devolve responsibility, increase accountability and encourage involvement in decision making at the appropriate level.

The Trustees are responsible for maintaining the Catholic ethos of the school, setting statutory policies, adopting an annual budget, monitoring the financial position of the academy by the use of budgets and making significant decisions about the direction of the Academy, and senior staff appointments. The governors are responsible for evaluating/ monitoring the day-to-day operation of the school, setting the strategic direction related to operational matters, the performance of the Headteacher and senior leadership team on a regular basis.

The senior leadership team for The Catholic Academy Trust in Havant are the Headteacher, two deputy Headteachers, three assistant Headteachers, one of which is the Director of Sixth Form and one Director of Finance and Business.

The Senior Leadership team is responsible for delivering the strategic actions approved by the Trustees, for implementing the policies and setting up and managing the annual development priorities.

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

As part of the Havant federation of schools which consists of nine secondary schools that work together to provide education in the local area. As a soft federation the operating policies of each school remain individual and there are no legal obligations between parties. The school works closely with the network of Catholic secondary and primary schools within the Dioceses of Portsmouth. The network aims to share policy and procedure to support the Catholic education of students within the Diocese. The school has a service level agreement with the Dioceses which provides support on issues of Governance, administration, leadership and management and admissions.

The school has become a strategic partner in the Catholic Teaching Schools Alliance and the Solent SCITT both of the relationships will help advance the recruitment of staff into Oaklands and local schools. The CTSA will also focus on talent management and succession planning.

i. RISK MANAGEMENT

The Trustees confirm that the major risks to which the Trust is exposed have been reviewed, in particular relating to ethos, safety, management of resources, delivery of the planned curriculum, IT security and leadership and management of the Academy. All risks have been assessed with regard to impact and probability and actions identified to mitigate the risks. Responsibility for these actions are assigned to a member of the Senior Leadership Team and the Finance/Resources Committee will review the progress on a half yearly basis and annually by the Trustees.

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TRUSTEES' REPORT (continued)
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Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the charitable company is to provide a Catholic education for students of different abilities between the ages of 11 and 18. In accordance with the Articles of Association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum. The Trustees of the Academy Trust will ensure that the unique ethos of Catholic education is maintained through an emphasis on the importance of each student as an individual and the need to focus on and promote the spiritual, moral, intellectual, physical, social, personal and cultural development of each young person. The Academy mission statement encompasses the values of Catholic education where transmission of the Gospel values is integral to the distinctiveness of the school community and where everyone is encouraged to aspire to high levels of attainment.

- Community No one gets left behind
- Unity United by the Cross
- Opportunity Potential for greatness

Our school welcomes pupils from all backgrounds and our Admissions policy ensures that an individual's economic status, gender, ethnicity, race or disability do not form part of our assessment processes. We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or students who are or become disabled.

Our School is committed to safeguarding and promoting the welfare of our students and expects all staff and volunteers to share this commitment. The last Ofsted inspection reported that the school takes great care of its students. Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of year reports. Regular contact with parents is maintained throughout the year through informal contacts and through the newsletter and website. A School Council ensures the views of the students are taken seriously and student prefects are involved in assisting senior teaching staff to enforce a vigorous no bullying policy and develop a caring environment throughout the school.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The Academy's main strategy is encompassed in its mission and strategy documents. The Trustees' vision and strategic plan is that by 2015 the Academy will be

- A safe and welcoming school looking forward with confidence to the challenges of developing students for life in 2020
- An integral member of the Catholic community in the Diocese by being an authentic witness to the power of Christ's message
- A community inspiring its students to engage in their own learning, celebrate their diversity and launch them to the next stage of their journey with confidence in their potential
- A community which engages all to be creative. Innovative leadership who have high quality teaching and learning as a focus
- Respected in the local community for its openness and collaborative ventures to improve the lives of children and their families
- An ethical steward of the resources entrusted to us, to provide the best possible learning environment mindful of the impact we have on the planet

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

A School Improvement Plan outlines the strategies which will be undertaken to achieve the academy aims, highlighting the financial implications and delegating responsibility for improvement to senior leaders

During the period ending 31 August 2013 the priorities have been to

- Develop the prayer life of the school and make a contribution to spiritual development of youngsters across the Diocese
- Develop responsibility towards the wider community through the work with CAFOD
- Develop provision for students that attract pupil premium
- Establish strategic partnerships through the Solent SCITT and CTSA
- Respond to government changes to the examination and terminal assessment systems
- Improve staff use of data to inform teaching and learning
- Literacy and numeracy across the school
- Refurbish significant areas of the school to provide the best possible learning opportunities in a safe and inspiring environment
- Improve communication with parents
- Improve links with feeder primary schools to ensure a smooth transition of students into Yr 7
- Improve the ICT infrastructure across the school
- Develop further links with federation schools including sharing resource

c. PUBLIC BENEFIT

Oaklands Catholic School and Sixth Form College provides free education for 11-18 year olds in the Havant, Waterlooville and surrounding area under the DfE Academies programme. In setting the objectives and aims of the Academy the Trustees have given careful consideration to the Charity Commission's guidance on public benefit. Oaklands also provides the only 16-18 education in a Catholic faith environment in the region.

Achievements and performance

a. REVIEW OF ACTIVITIES

The school continues to work at drawing its community into a deeper communion with God through a deeper understanding, experience and practice of faith. Oaklands is an inclusive Christian community deeply rooted in the values of the Gospel. All members of the community share the mission and vision of the school with a sense of community pride permeating the atmosphere. The work of the chaplain continues to focus the school's spiritual energy. This is evident through small group work, for example reconciliation through to larger events such as the Christmas carol concert. The school has appointed its third chaplain's assistant on a 1 year internship. This year the school has also made a significant contribution to the Dioceses by organising the 'I Believe concert' for students in years 9-11. The retreat programs continue to be successful this year with over 120 students enjoying the experience. Full school masses continue to be a feature of the school calendar, voluntary liturgies have attracted more than 600 students. The school celebrates its diversity through outreach work with CAFOD, International Schools Award and the Comenius projects. In June 3 students visited Kenya to see how the money raised for CAFOD in 2011/12 was being used. RE continues to be at the heart of the curriculum, the results this year were impressive GCSE 2013 89% A*-C, Year 12 2013 85% A-C, Year 13 2013 83% A*-C).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

The school is very proud of the results obtained by the students' at all key stages. A summary of the results against targets is shown below

	2013	2012	2011	2010
Achieving 5+ A*-C	79.6%	86.8%	85.5%	88.0%
Achieving 5+ A*-C incl English and Maths	72.0%	74.0%	74.0%	80.0%
Target 5+ A*-C incl English and Maths	74.0%	76.0%	-	-

Similar to all schools, Oaklands experienced changes to grade boundaries compared to 2012. For example in Maths to obtain a C at the foundation level students needed to achieve another 10% to reach the grade thresholds. In addition to Maths alteration to grade boundaries occurred in English, Science, French and RE. Most core subjects also have a spelling punctuation and grammar component against which students are assessed. The targets for the school were set before the changes to the assessment regime.

For the second year in a row there were a number of students who achieved A* in every subject. A significant number of students achieved 9 or 10 Grade A or A*s.

At A2 level any student who secures a pass grade (A-E) has worked hard for it. This year students have been successful in gaining entry into Oxbridge and many others have gained entry to other Russell group universities to study subjects such as medicine and History. The results for the last three years are shown below.

	2013	2012	2011
Achieving A-E	99.6%	98.6%	99.7%
Achieving A-C	82.6%	76.0%	77.0%

The number of grades at A* to C rose to 82.6% compared with 75.9% in 2012. The number of grades at A* to B increased to 60.4% compared with 50.7% in 2012. Nine students achieved straight 'As' in 3 or 4 subjects. The subjects in which a 100% pass rate had been achieved include History, English, Sciences, Geography, Business, Economics, Spanish and RE reflecting the academic profile of subjects on offer. Many other subjects were equally successful.

The school continues to justify its strong reputation at Advanced Level.

Whilst schools are notoriously measured by the statistics of exam success it has to be remembered that achievement and performance in a school is also measured by the outcomes of those students who leave after GCSE to go on to other institution of further education or into training and/or work. Oaklands prides itself in providing an all-round education and giving young people the life skills they need to be successful in whichever path they choose to follow, enabling them to reach their full potential.

The school curriculum continues to develop and respond to changes in the qualifications framework, this has an impact on the curriculum. Various vocational qualification no longer carry their previous currency, as a result these have been dropped from the curriculum offer. Triple science has moved from an option into the core programme for students in Sets 1 and 2. Spanish is now available for the most able linguists.

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A number of significant refurbishment works have taken place over the last year including the final phase of science refurbishment. Re-roofing and upgrading of the ME systems in Angelico block has also commenced this year, made possible by two successful bids for capital monies from the DfE.

The school is currently undertaking the next phase of work to upgrade the IT provision across the whole school. Historic issues have meant that substantial investment has been needed to upgrade the infrastructure and improve the level of technical support offered to the curriculum.

b. GOING CONCERN

A statement by the governors on the academy trust's ability to continue to operate as a going concern is required as best practice. The relevant guidance was issued by the Financial Reporting Council (FRC) in 2009.

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

Financial review

a. SUMMARY

Most of the Academy's income is obtained from the Department for Education via the Education Funding Agency in the form of recurrent grants, the use of which is restricted to the purposes of education. The grants received from the EFA during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

The Academy also receives grants for fixed assets from the EFA. In accordance with the SORP, such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Other income is received from parental donations, catering and the hire of facilities at the school.

During the period ended 31 August 2013 total expenditure of £7,789,558 was less than the recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the period was £11,673 (excluding restricted fixed asset fund and pension reserve).

At 31 August 2013 the net book value of fixed assets was £17,847,438 and the movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

b. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

In accordance with the funding agreement made between the Department for Education and the Academy the financial practices and procedures must comply with the Academies Financial Handbook as well as Company Law and SORP (The Statement of Recommended Practice) guidance for Charities. The Academy has produced its own Finance Manual based on this guidance and every member of staff with any financial responsibility is expected to read and adhere to its procedures. The Trustees approve a financial timetable to ensure that a realistic and robust annual budget is set and approved and that a process of budget revision is carried out half way through the financial year. The Director of Finance and Business will ensure monthly monitoring of budgets against actuals takes place and significant variances are reported to Trustees via the Finance/Resources Committee which meets twice a term. 3-year budget plans are produced to take into account the key priorities in the academy development plan and the level of surplus to carry forward on an annual basis is discussed and approved by Trustees to ensure it supports the strategic vision. Cash flow analysis is carried out on a monthly basis and monthly cash surpluses are invested to ensure the best return. During 2013 the level on interest received from monies on instant access deposit accounts exceeded bank charges on the current account by 300% which was above the expected return of 150%. A scheme of delegated authority ensures decisions are taken at the appropriate level and that expenditure on larger projects is subject to discussion in the appropriate forum.

During the year ended 31 August 2013 the budget forecasted an in year surplus of £35,374

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. As described in note 23 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the voluntary aided school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the balance sheet shows a net liability of £789,000.

c. RESERVES POLICY

Our aim is to use the allocated funding each year for the full benefit of our current students.

However we also consider it necessary to carry forward some reserves to

- Provide sufficient working capital to cover delays between spending and receipt of grants,
- To invest in future years' priorities for the children of our school, for example capital projects, and have plans in place for how this will be spent over the next three years,
- To have a contingency reserve to cover expenditure required for unforeseen circumstances such as urgent maintenance.

The level of free reserves (total funds less fixed asset and other restricted funds) held at 31 August 2013 was £120,613 which we consider is reasonable to meet the above objectives.

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TRUSTEES' REPORT (continued)
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d. INVESTMENT POLICY

The Academy bank accounts are held by National Westminster Bank. The current account is a non-interest bearing account and incurs bank charges on various transactions. A further instant access direct reserve account was opened in order to ensure surplus cash balances earned maximum interest. The current interest rate for balances over £250,000 is 0.25% plus a 1% annual bonus.

The Governors approved the transfer of further surplus cash balances to fixed rate deposit accounts. During the year ended 31 August 2013 deposits were made:

Amount	Maturity	Interest rate
£50,000	30.9.13	0.90% gross pa
£100,000	7.4.14	1.10% gross pa
£150,000	7.4.14	1.25% gross pa

Deposits made in the financial year ending 31st August 2012 matured as follows:

Amount	Maturity	Interest rate	Interest received
£100,000	23.11.12	1.8% gross p a	£951.78
£50,000	22.5.13	3.25% gross p a	£1,722.95

It is the policy of the Trustees to ensure that all surplus cash balances are invested to gain additional interest and that all interest gained will be used for the benefit of the students in the provision of education.

Plans for the future

a. FUTURE DEVELOPMENTS

The continuing changing landscape of funding for education will mean challenging financial implications for the Academy. The introduction of a national funding formula along with reductions to funding for schools with sixth form provision will need careful management. The key priorities for the next year will be -

- Management of a reduction in funding by implementation of cost reductions and increased income generation
- To secure capital funding for the refurbishment of buildings, giving priority to health and safety issues, insulation and window replacement
- Increase in pupil numbers in Sixth Form provision to offset funding cuts
- Completion of the IT upgrades

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

DISCLOSURE OF INFORMATION TO AUDITORS

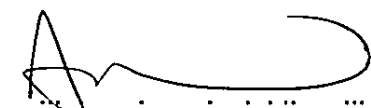
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that

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

AUDITORS

The auditors, Hopper Williams & Bell Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting

This report was approved by order of the board of trustees on 4/12/13 and signed on its behalf by



A Hastilow
Chair of Trustees

THE CATHOLIC ACADEMY TRUST IN HAVANT
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that The Catholic Academy Trust in Havant 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 Headteacher, 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 The Catholic Academy Trust in Havant 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 Trustees' responsibilities statement.

The Directors of the Academy Trust meet separately to the Full Governing Body to maintain their delegated levels of authority and ensure decisions are approved at an appropriate level. The terms of reference for both the Academy Trust and the Local Governing Body are approved on an annual basis. Currently all Directors are also Governors of the school and eligible to attend the 14 meetings which have taken place during the year. Governors are invited to join either the Staffing Curriculum Committee or the Finance/Maintenance Committee which each meet 6 times during the year and carry out their delegated responsibilities in accordance with terms of reference which are reviewed and approved annually. A strategy group also meets a number of times during the year as appropriate to discuss issues in depth before wider discussions at the full governing body or Academy Trust meetings. All Governors are invited to attend these strategy group meetings along with members of the senior leadership team.

The board of trustees has formally met 23 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Hastilow, Chair of Trustees	17	23
Capt P A Quinn OBE RN, Vice Chair	19	23
A F Navato, Vice Chair	17	23
M Quinn, Headteacher	22	23
Mrs V Bartolo	16	23
Fr K Bidgood	1	23
P C Brookes	15	23
Cdre D J R Dickens CBE RN	10	23
Mrs L M Durbin	16	23
Canon R M D Hind	2	23
Dr J P Hogan	12	23
Mrs K M Hulme	11	23
C H Jones	21	23
Ms J D C McCall	17	23
Comm R Morris (RN)	15	23
P Phillips	7	20
D J Pragnell	5	5
Mrs S Shepherd	15	23
P E Smith	17	23
Mrs L Sutton	17	23
P J Wade	12	23

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GOVERNANCE STATEMENT (continued)

During the year the resignation of a parent governor led to a parent governor election. The successful nominee took office 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 ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Catholic Academy Trust in Havant for the year 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Cdre D J R Dickens CBE RN, a Trustee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. A programme of internal checks will be agreed by the Finance/Resources committee and a written report will be produced following each RO visit. The Finance/Resources committee will report to the governing body on a quarterly basis on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher 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 Responsible Officer,
- the work of the external auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 4/12/13 and signed on their behalf, by



A Hastilow
Chair of Trustees



M Quinn
Accounting Officer

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Catholic Academy Trust in Havant I have considered my responsibility to notify the Academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012)

I confirm that I and the Academy board of trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2012)

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



M Quinn
Accounting Officer

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013**

The Trustees (who act as governors of The Catholic Academy Trust in Havant and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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


- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 7/12/13 and signed on its behalf by


A Hastilow
Chair of Trustees

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CATHOLIC ACADEMY TRUST IN HAVANT

We have audited the financial statements of The Catholic Academy Trust in Havant for the year ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the Academy's affairs as at 31 August 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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 financial statements are prepared is consistent with the financial statements.

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE CATHOLIC ACADEMY TRUST IN HAVANT

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Hopper Williams & Bell Limited

Richard Hurst (Senior statutory auditor)
for and on behalf of

Hopper Williams & Bell Limited

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date *12 December 2012*

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE CATHOLIC ACADEMY TRUST IN HAVANT AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 11 September 2013 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 The Catholic Academy Trust in Havant during the year 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 The Catholic Academy Trust in Havant and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Catholic Academy Trust in Havant 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 Catholic Academy Trust in Havant and the EFA, for our work, for this report, or for the conclusion we have formed

RESPECTIVE RESPONSIBILITIES OF THE CATHOLIC ACADEMY TRUST IN HAVANT'S ACCOUNTING OFFICER AND THE REPORTING AUDITORS

The accounting officer is responsible, under the requirements of The Catholic Academy Trust in Havant's funding agreement with the Secretary of State for Education dated 1 September 2011, 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 year 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's income and expenditure.

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE CATHOLIC
ACADEMY TRUST IN HAVANT AND THE EDUCATION FUNDING AGENCY (continued)**

SUMMARY OF WORK UNDERTAKEN

We carried out the following

- planning of assurance procedures including identifying key risks,
- substantive testing including analytical review,
- concluding on procedures carried out

Substantive testing included the following procedures

- confirming that activities conform to the Academy's framework of authorities,
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance,
- evaluating the general control environment of the Academy,
- testing a sample of transactions to consider whether the transaction is permissible within the Academy's framework of authorities,
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained,
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the EFA,
- confirming whether EFA approval was obtained for any disposals of assets,
- reviewing the internal control procedures relating to credit cards,
- reviewing for any indication of purchases for personal use by staff or officers,
- reviewing the list of suppliers to consider whether supplies are from related parties,
- considering whether income generating activities are permissible within the Academy's charitable objects,
- reviewing whether lettings to related parties are made at favourable rates

CONCLUSION

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

Hopper Williams & Bell Limited

Richard Hurst (Senior statutory auditor)
for and on behalf of
Hopper Williams & Bell Limited
Statutory Auditor
Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

Date *12 December 2013*

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Un- restricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
INCOMING RESOURCES						
Incoming resources from generated funds						
Transfer from predecessor school	2	-	-	-	-	18,013,567
Other voluntary income	2	-	49,667	-	49,667	38,045
Activities for generating funds	3	11,529	-	-	11,529	9,552
Investment income	4	11,596	-	-	11,596	10,377
Incoming resources from charitable activities	5	-	7,132,669	241,894	7,374,563	7,020,509
TOTAL INCOMING RESOURCES		23,125	7,182,336	241,894	7,447,355	25,092,050
RESOURCES EXPENDED						
Charitable activities	7	-	7,240,663	540,770	7,781,433	7,101,820
Governance costs	6	-	8,125	-	8,125	26,198
TOTAL RESOURCES EXPENDED	8	-	7,248,788	540,770	7,789,558	7,128,018
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		23,125	(66,452)	(298,876)	(342,203)	17,964,032

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Un- restricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £	Total funds 2012 £
Transfers between Funds	18	-	(60,248)	60,248	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		23,125	(126,700)	(238,628)	(342,203)	17,964,032
Actuarial gains and losses on defined benefit pension schemes		-	21,000	-	21,000	(247,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		23,125	(105,700)	(238,628)	(321,203)	17,717,032
<i>Total funds at 1 September 2012</i>		<i>97,488</i>	<i>(491,203)</i>	<i>18,110,747</i>	<i>17,717,032</i>	<i>-</i>
TOTAL FUNDS AT 31 AUGUST 2013		120,613	(596,903)	17,872,119	17,395,829	17,717,032

All activities relate to continuing operations

The Statement of Financial Activities includes all gains and losses recognised in the year


The notes on pages 26 to 44 form part of these financial statements

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)
REGISTERED NUMBER 07721932

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	13		17,847,438		18,108,780
CURRENT ASSETS					
Stocks	14	12,576		13,310	
Debtors	15	252,003		214,154	
Investments	16	300,000		150,000	
Cash at bank		411,695		551,412	
		<u>976,274</u>		<u>928,876</u>	
CREDITORS amounts falling due within one year	17	(638,883)		(565,624)	
NET CURRENT ASSETS			<u>337,391</u>		<u>363,252</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,184,829</u>		<u>18,472,032</u>
Defined benefit pension scheme liability	23	(789,000)		(755,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>17,395,829</u></u>		<u><u>17,717,032</u></u>
FUNDS OF THE ACADEMY					
Restricted funds					
Restricted funds	18	192,097		263,797	
Restricted pension reserve	18	(789,000)		(755,000)	
Restricted fixed asset funds	18	<u>17,872,119</u>		<u>18,110,747</u>	
Total restricted funds			<u>17,275,216</u>		<u>17,619,544</u>
Un-restricted funds	18		<u>120,613</u>		<u>97,488</u>
TOTAL FUNDS			<u><u>17,395,829</u></u>		<u><u>17,717,032</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on
4/12/13 and are signed on their behalf, by


.....
A Hastilow
Chair of Trustees

The notes on pages 26 to 44 form part of these financial statements

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	20	102,466	638,071
Returns on investments and servicing of finance	21	11,596	10,377
Capital expenditure and financial investment	21	(253,779)	(174,595)
Cash transferred on conversion to an academy trust		-	77,559
(DECREASE)/INCREASE IN CASH IN THE YEAR		(139,717)	551,412

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2013

	2013 £	2012 £
(Decrease)/Increase in cash in the year	(139,717)	551,412
MOVEMENT IN NET FUNDS IN THE YEAR	(139,717)	551,412
Net funds at 1 September 2012	551,412	-
NET FUNDS AT 31 AUGUST 2013	411,695	551,412

The notes on pages 26 to 44 form part of these financial statements

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

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

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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.

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

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

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
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.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy'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 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

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 are 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's depreciation policy.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	50 years - straight line
Motor vehicles	-	3 years - straight line
Fixtures and fittings	-	3 years - straight line
Computer equipment	-	3 years - straight line

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the Academy 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 recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy 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 the 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 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.

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

2. VOLUNTARY INCOME

	Un- restricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Transfer from predecessor school	-	-	-	18,013,567
Donations	-	49,667	49,667	38,045
Voluntary income	-	49,667	49,667	18,051,612

3. ACTIVITIES FOR GENERATING FUNDS

	Un- restricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Hire of facilities	11,529	-	11,529	9,552

4 INVESTMENT INCOME

	Un- restricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Deposit account interest	11,596	-	11,596	10,377

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Un- restricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DfE/EFA grants				
General Annual Grant (GAG)	-	6,341,477	6,341,477	6,321,813
DfE/EFA capital grants	-	241,894	241,894	26,562
DfE/EFA other grants	-	122,285	122,285	48,420
	-	6,705,656	6,705,656	6,396,795
Other government grants				
Local authority grants	-	88,881	88,881	151,312
	-	88,881	88,881	151,312
Other funding				
Trip income	-	235,908	235,908	179,916
Tuition fee income	-	34,627	34,627	33,182
Catering income	-	202,941	202,941	155,090
Other income	-	106,550	106,550	104,214
	-	580,026	580,026	472,402
	-	7,374,563	7,374,563	7,020,509

6 GOVERNANCE COSTS

	Un- restricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
Legal costs	-	-	-	16,349
Auditors' remuneration	-	6,830	6,830	6,650
Auditors' remuneration - non-audit costs	-	1,295	1,295	1,650
Governor support services	-	-	-	1,549
	-	8,125	8,125	26,198

THE CATHOLIC ACADEMY TRUST IN HAVANT
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Un- restricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £	Total funds 2012 £
DIRECT COSTS				
Wages and salaries	-	3,604,446	3,604,446	3,510,620
National insurance	-	285,076	285,076	275,412
Pension cost	-	458,425	458,425	452,306
Depreciation	-	301,667	301,667	301,667
Educational supplies	-	208,122	208,122	176,836
Examination fees	-	112,196	112,196	138,970
Educational consultancy	-	44,417	44,417	5,961
Maintenance of premises & equipment	-	2,264	2,264	-
Other costs	-	574,256	574,256	350,823
	-	5,590,869	5,590,869	5,212,595
SUPPORT COSTS				
Wages and salaries	-	636,262	636,262	613,392
National insurance	-	35,426	35,426	35,302
Pension cost	-	139,238	139,238	98,964
Depreciation	-	63,454	63,454	38,156
Technology costs	-	186,435	186,435	100,014
Recruitment & support	-	65,428	65,428	65,276
Maintenance of premises & equipment	-	431,052	431,052	379,955
Cleaning	-	146,355	146,355	165,091
Rent & rates	-	51,429	51,429	43,404
Energy costs	-	133,277	133,277	77,136
Insurance	-	56,330	56,330	52,772
Catering	-	142,342	142,342	121,961
Office costs	-	66,271	66,271	52,031
Health & safety costs	-	3,633	3,633	7,696
Retirement benefit costs	-	17,000	17,000	20,000
Other costs	-	16,632	16,632	18,075
	-	2,190,564	2,190,564	1,889,225
	-	7,781,433	7,781,433	7,101,820

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8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Depreciation 2013 £	Other costs 2013 £	Total 2013 £	Total 2012 £
Direct costs	4,347,947	301,667	941,255	5,590,869	5,212,595
Support costs	810,926	63,454	1,316,184	2,190,564	1,889,225
Charitable activities	5,158,873	365,121	2,257,439	7,781,433	7,101,820
Governance	-	-	8,125	8,125	26,198
	5,158,873	365,121	2,265,564	7,789,558	7,128,018

9. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets - owned by the charity	365,121	339,823
Auditors' remuneration	6,830	6,650
Auditors' remuneration - non-audit	1,295	1,650

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10. STAFF COSTS

Staff costs were as follows

	2013 £	2012 £
Wages and salaries	4,240,708	4,124,012
Social security costs	320,502	310,714
Other pension costs (Note 23)	597,663	551,270
	<u>5,158,873</u>	<u>4,985,996</u>

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

	2013 No.	2012 No
Teachers	81	80
Administration and support	82	80
Management	7	7
	<u>170</u>	<u>167</u>

The number of employees whose emoluments fell within the following bands was

	2013 No	2012 No
In the band £60,001 - £70,000	2	2
In the band £80,001 - £90,000	1	1
	<u>3</u>	<u>3</u>

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contributions for these staff amounted to £32,015

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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 in respect of their role as Trustees. The value of Trustees' remuneration fell within the following bands:

	2013	2012
	£'000	£'000
M Quinn, (Headteacher and Accounting Officer)	85-90	85-90
Ms J D C McCall, (Staff Governor)	50-55	50-55
Mrs S Shepherd, (Staff Governor)	40-45	40-45
P E Smith, (Staff Governor)	45-50	45-50
Employer's pension contributions in respect of the above	30-35	30-35

During the year, no Trustees received any reimbursement of expenses (2012 - £NIL)

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2013 was £966 (2012 - £966).

The cost of this insurance is included in the total insurance cost.

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13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2012	18,323,500	72,151	52,952	18,448,603
Additions	-	36,419	67,360	103,779
At 31 August 2013	18,323,500	108,570	120,312	18,552,382
Depreciation				
At 1 September 2012	301,667	23,211	14,945	339,823
Charge for the year	301,667	27,085	36,369	365,121
At 31 August 2013	603,334	50,296	51,314	704,944
Net book value				
At 31 August 2013	17,720,166	58,274	68,998	17,847,438
At 31 August 2012	18,021,833	48,940	38,007	18,108,780

Included in land and buildings is leasehold land at valuation of £3,240,130 which is not depreciated

14. STOCKS

	2013 £	2012 £
Educational supplies	6,283	7,500
Catering	6,293	5,810
	12,576	13,310

15. DEBTORS

	2013 £	2012 £
Trade debtors	2,254	1,310
Other debtors	835	5,072
Prepayments and accrued income	152,532	118,830
Tax recoverable	96,382	88,942
	252,003	214,154

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16. CURRENT ASSET INVESTMENTS

	2013 £	2012 £
Fixed rate deposits	<u>300,000</u>	<u>150,000</u>

17. CREDITORS

Amounts falling due within one year

	2013 £	2012 £
Trade creditors	286,881	239,172
Other taxation and social security	98,560	98,823
Other creditors	108,992	89,811
Accruals and deferred income	144,450	137,818
	<u>638,883</u>	<u>565,624</u>

Deferred income

	£
Deferred income at 1 September 2012	76,428
Resources deferred during the year	49,810
Amounts released from previous years	<u>(76,428)</u>
Deferred income at 31 August 2013	<u>49,810</u>

At the balance sheet date the academy trust was holding funds received in advance for trips relating to the forthcoming academic year

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Reserves	97,488	23,125	-	-	-	120,613
Restricted funds						
General annual grant	-	6,341,477	(6,341,477)	-	-	-
Other DfE/EFA grants	-	122,285	(122,285)	-	-	-
Local authority grants	-	88,881	(88,881)	-	-	-
Other educational activities	263,797	629,693	(641,145)	(60,248)	-	192,097
Pension reserve	(755,000)	-	(55,000)	-	21,000	(789,000)
	<u>(491,203)</u>	<u>7,182,336</u>	<u>(7,248,788)</u>	<u>(60,248)</u>	<u>21,000</u>	<u>(596,903)</u>
Restricted fixed asset funds						
Fixed asset fund	18,108,780	-	(365,121)	103,779	-	17,847,438
DfE/EFA capital grants	1,967	241,894	(175,649)	(43,531)	-	24,681
	<u>18,110,747</u>	<u>241,894</u>	<u>(540,770)</u>	<u>60,248</u>	<u>-</u>	<u>17,872,119</u>
Total restricted funds	<u>17,619,544</u>	<u>7,424,230</u>	<u>(7,789,558)</u>	<u>-</u>	<u>21,000</u>	<u>17,275,216</u>
Total of funds	<u>17,717,032</u>	<u>7,447,355</u>	<u>(7,789,558)</u>	<u>-</u>	<u>21,000</u>	<u>17,395,829</u>

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

General annual grant

This includes all monies received from the EFA to carry out the objectives of the academy. It includes the School Budget Share, LACSEG (Local Authority Central Spend Equivalent Grant), specialised school funding, insurance and rates grants.

Other DfE/EFA grants & local authority grants

This is money received for specific purposes, for example to support individual pupils with a SEN statement. The salary costs of the teaching assistants are set against this and any overspend is funded from the GAG.

Other educational activities

This includes all other educational income/expenditure. Any overspend is funded from the GAG. The fund was fully expended at the year end.

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

Pension reserve

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion

Fixed asset fund

The fund includes the value of the tangible fixed assets of the academy on conversion, and monies transferred from the GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets

DfE/EFA capital grants

This is money received from the DfE/EFA specifically for expenditure on tangible fixed assets. Upon expenditure the balances are transferred to the Fixed Asset Fund

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013

SUMMARY OF FUNDS

	Brought Forward	Incoming resources	Resources Expended	Transfers in/out	Gains/ (Losses)	Carried Forward
	£	£	£	£	£	£
General funds	97,488	23,125	-	-	-	120,613
Restricted funds	(491,203)	7,182,336	(7,248,788)	(60,248)	21,000	(596,903)
Restricted fixed asset funds	18,110,747	241,894	(540,770)	60,248	-	17,872,119
	<u>17,717,032</u>	<u>7,447,355</u>	<u>(7,789,558)</u>	<u>-</u>	<u>21,000</u>	<u>17,395,829</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Un-restricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	2013	2013	2013	2013	2012
	£	£	£	£	£
Tangible fixed assets	-	-	17,847,438	17,847,438	18,108,780
Current assets	120,613	830,980	24,681	976,274	928,876
Creditors due within one year	-	(638,883)	-	(638,883)	(565,624)
Provisions for liabilities and charges	-	(789,000)	-	(789,000)	(755,000)
	<u>120,613</u>	<u>(596,903)</u>	<u>17,872,119</u>	<u>17,395,829</u>	<u>17,717,032</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Net incoming resources before revaluations	(342,203)	17,964,032
Returns on investments and servicing of finance	(11,596)	(10,377)
Depreciation of tangible fixed assets	365,121	339,823
Decrease/(increase) in stocks	734	(13,310)
Increase in debtors	(37,849)	(214,154)
Increase in creditors	73,259	565,624
Cash transferred on conversion	-	(77,559)
Tangible fixed assets transfer	-	(18,424,008)
Pensions liability transfer	-	488,000
Difference between pension charge and cash contributions	55,000	20,000
Net cash inflow from operations	102,466	638,071

21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	11,596	10,377
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(103,779)	(24,995)
Sale of tangible fixed assets	-	400
Transfers to fixed rate deposits	(150,000)	(150,000)
Net cash outflow capital expenditure	(253,779)	(174,595)

22 ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	551,412	(139,717)	-	411,695
Net funds	551,412	(139,717)	-	411,695

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council 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

Contributions amounting to £77,137 were payable to the scheme at 31 August 2013 (2012 - £64,256) and are included within creditors

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 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

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

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23. PENSION COMMITMENTS (continued)

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% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy 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 has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds.

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23 PENSION COMMITMENTS (continued)

The total contribution made for the year ended 31 August 2013 was £181,000, of which employer's contributions totalled £136,000 and employees' contributions totalled £45,000. The agreed contribution rates for future years are 13.1% for employers and between 5.5% and 7.5% for employees.

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

The amounts recognised in the Balance sheet are as follows

	2013 £	2012 £
Present value of funded obligations	(2,130,000)	(1,780,000)
Fair value of scheme assets	1,341,000	1,025,000
Net liability	<u>(789,000)</u>	<u>(755,000)</u>

The amounts recognised in the Statement of financial activities are as follows

	2013 £	2012 £
Current service cost	<u>174,000</u>	<u>129,000</u>
Actual return on scheme assets	<u>139,000</u>	<u>81,000</u>

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

	2013 £	2012 £
Opening defined benefit obligation	1,780,000	-
Actuarial Losses	56,000	275,000
Current service cost	174,000	129,000
Interest cost	79,000	73,000
Contributions by participants	45,000	42,000
Liabilities assumed in a business combination	-	1,264,000
Benefits paid	(4,000)	(3,000)
Closing defined benefit obligation	<u>2,130,000</u>	<u>1,780,000</u>

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23. PENSION COMMITMENTS (continued)

Movements in the fair value of the Academy's share of scheme assets

	2013 £	2012 £
Opening fair value of scheme assets	1,025,000	-
Actuarial gains and (losses)	77,000	28,000
Expected return on assets	62,000	53,000
Contributions by employer	136,000	129,000
Assets acquired in a business combination	-	776,000
Contributions by participants	45,000	42,000
Benefits paid	(4,000)	(3,000)
	<u>1,341,000</u>	<u>1,025,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £-226,000 (2012 - £-247,000)

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2013	2012
Equities	63.70 %	54.30 %
Property	7.50 %	8.00 %
Government bonds	24.40 %	27.60 %
Corporate bonds	1.20 %	1.40 %
Cash	3.00 %	3.40 %
Other	0.20 %	5.30 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

	2013	2012
Discount rate for scheme liabilities	4.50 %	4.20 %
Rate of increase in salaries	4.70 %	4.70 %
Rate of increase for pensions in payment / inflation	2.80 %	2.20 %
Inflation assumption (CPI)	2.80 %	2.20 %
Commutation of pensions to lump sums - past service	25.00 %	25.00 %
Commutation of pensions to lump sums - future service	75.00 %	75.00 %

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

	2013	2012
Retiring today		
Males	24.0	23.9
Females	25.0	24.9
Retiring in 20 years		
Males	25.7	25.6
Females	26.9	26.8

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23 PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows

Defined benefit pension schemes

	2013 £	2012 £
Defined benefit obligation	(2,130,000)	(1,780,000)
Scheme assets	1,341,000	1,025,000
Deficit	(789,000)	(755,000)
Experience adjustments on scheme liabilities	(56,000)	(275,000)
Experience adjustments on scheme assets	77,000	28,000

24. OPERATING LEASE COMMITMENTS

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

	Land and buildings 2013 £	2012 £	2013 £	Other 2012 £
Expiry date:				
Within 1 year	-	-	-	12,384
Between 2 and 5 years	-	-	93,528	1,710

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy'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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the year, close family members of five of the Trustees were employed by the Academy. The total remuneration of these five employees was £104,903. Employer's pension contributions in respect of these employees amounted to £11,728.