

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014



LANDAU BAKER LIMITED

Chartered Accountants & Statutory Auditors

Mountcliff House

154 Brent Street

London

NW4 2DR

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

CONTENTS

| | Page |
|---|---------|
| Reference and administrative details of the academy, its trustees and advisers | 1 |
| Trustees' report | 2 - 9 |
| Governance statement | 10 - 12 |
| Statement on regularity, propriety and compliance | 13 |
| Trustees' responsibilities statement | 14 |
| Independent auditors' report | 15 - 16 |
| Independent reporting accountant's assurance report on regularity | 17 - 18 |
| Statement of financial activities | 19 - 20 |
| Balance sheet | 21 |
| Cash flow statement | 22 |
| Notes to the financial statements | 23 - 41 |

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2014

Members

Monsignor M Dickens
Monsignor Canon M Lee
C Wright, Chair of Trustees¹

Trustees

C Wright, Chair of Trustees¹
T Allen, Staff Trustee
J Blumenstein (appointed 1 March 2014)¹
E Cahill, Principal & Accounting Officer
L Collyer - Hamlin
J de Quidt, Vice Chair¹
N Kasolowsky
Fr. G O'Brien
B Palazzolo, Staff Trustee
S Povey (resigned 3 July 2014)¹
A Stewart
F Williams
B Wood
P Young, Chair of Trustees (resigned 24 September 2014)

¹ Members of the Resoures Committee

Company registered number

7907633

Registered office

Mountcliff House, 154 Brent Street, London, NW4 2DR

Principal operating office

St Agathas Drive, Kingston Upon Thames, Surrey, KT2 5TY

Company secretary

C Blake

Senior management team

E Cahill, Head Teacher
B Palazzolo, Deputy Head Teacher
S Barley, Assistant Head Teacher (EYFS & KS1)
N Mayle, Assistant Head Teacher (KS2)

Independent auditors

Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2DR

Bankers

Lloyds Bank PLC, 83 Clarence Street, Kingston Upon Thames, Surrey, KT1 1RE

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees present their annual report together with the audited financial statements of St Agatha's Catholic Primary School (the Academy) for the year ended 31 August 2014. The Trustees confirm that the Annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The Academy Trust operates an academy for pupils aged 4 to 11 serving a catchment area in North Kingston. It has a pupil capacity of 502 (it is a two form entry school with a bulge class currently in Year 4) and had a roll of 492 in the school census on 15th May 2014.

Structure, governance and management

a. CONSTITUTION

The Academy a charitable company limited by guarantee and an exempt charity. It was incorporated on 12 January 2012 and in terms of a Funding Agreement entered into with the Secretary of State for Education, became an Academy on 01 February 2012. The articles of association are the primary governing document of the Academy Trust.

The governors act as a trustees for the charitable activities of the Academy and all are also the directors of the Charitable Company for the purposes of Company law.

Details of governors who served during the period are shown in the Reference and Administrative Details on Page 1.

b. 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.

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Board of Governors is appointed or elected in accordance with The Academy Trust's Articles of Association and comprises:

- The Principal (Head Teacher)
- 8 Foundation governors
- 2 Staff governors
- 2 Parent governors
- 1 Community governor

The Principal is appointed by the Board of Governors of the Academy Trust and is treated for all purposes as being an ex officio Governor.

Foundation Governors are appointed by the Archbishop of the Roman Catholic Diocese of Southwark on the recommendation of Father Gerry O'Brian, Parish Priest at St Agatha's Church, Kingston-upon-Thames. The Governing Body regularly reviews its skills and experience and takes this into account when recruiting Foundation and Community Governors. All of our existing Foundation Governors are members of St Agatha's parish or neighbouring parishes and when a vacancy has arisen, they have taken an active role in identifying suitable candidates from within the local area, who have then been interviewed by the Chair of Governors and other Governors, if appropriate, with a final recommendation made by the Chair of Governors to Father Gerry O'Brian

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Parent Governors are elected by parents of registered pupils at the Academy and must themselves be a parent of a pupil at the Academy at the time when they are elected. The Board of Governors shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Where there are more candidates than vacancies, an election will be held; where only one candidate comes forward for an election they will be automatically appointed; and where the number of candidates is below the number of vacancies, the Board of Governors shall be entitled to appoint a Parent Governor, and in doing so shall appoint a person who is the parent of a registered pupil at the Academy; or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Staff Governors are elected by all staff employed under a contract of employment or a contract for services or otherwise engaged to provide services to the Academy (excluding the Principal). All arrangements for the calling and the conduct of the election and resolution of questions as to whether any person is an eligible candidate is determined by the Board of Governors. Where a Staff Governor ceases to work at the Academy they shall be deemed to have resigned and shall cease to be a Governor automatically on termination of their work at the Academy. Where there are more candidates than vacancies, an election will be held; and should only one candidate come forward for an election then they will be automatically appointed.

The Community Governor is appointed by the Board of Governors of the Academy Trust. The current Community Governor, who joined the Board during the year, was: identified by the School Governor One Stop Shop (SGOSS) service, to fill a specific requirement that the Board of Governors had identified for a further governor with a finance background; interviewed by the Chair of Governors; and then appointed by the Board of Governors on the recommendation of the Chair of Governors.

The Board of Governors of the Academy Trust may also appoint up to two Co-opted Governors, where it identifies skills that would be useful to it and which it is not able to cover from within its own. The Board of Governors have not exercised this discretion to date.

The Secretary of State for Education also has certain powers to appoint additional Governors where she is satisfied that:

- the standards of performance of pupils at the Academy are unacceptably low; or
- there has been a serious breakdown in the way the Academy is managed or governed; or
- the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).

The Secretary of State for Education has not exercised this discretion to date, and we have no cause to believe this is something she is giving consideration to at the current time.

The term of office for any governor shall be four years. Subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

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

The training and induction provided for new governors will depend on their existing experience. All new governors will be given a tour of the Academy and the chance to meet the staff and students and will be provided with an induction pack which includes the following:

- A list of other members of the Board of Governors along with their contact details
- Calendar of Committee Meetings for the Academic Year
- The Governors Handbook produced by the National Governors Association
- The Governors' Code of Conduct document
- The Academy Trust's Articles of Association

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

- The Academy Trust's policies and procedures
- The minutes from the last two meetings of the Board of Governors, and the sub-committee that they will be joining along with the Terms of Reference for those committees.
- The Academy Trust's latest annual report and accounts and current year budget
- Our last OFSTED and Section 48 RE Inspection reports

New governors will also be given the opportunity to attend relevant training courses provided by Achieving for Children on charity, educational, legal and financial matters.

All governors undertake safeguarding training and are subject to a check by the Disclosure and Baring Service.

e. ORGANISATIONAL STRUCTURE

The Academy Trust has established a management structure to enable its efficient running. The structure consists of two levels: the Board of Governors and the Executive who are the Senior Leadership Team.

The Board of Governors has considered its role thoughtfully and decided that the role of the governors is to approve the strategic direction and objectives of the Academy Trust and monitor its progress towards these objectives.

The Board of Governors has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing order, a scheme of delegation and terms of reference.

The Board of Governors is responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy Trust by use of budgets and making major decisions about the direction of the Academy Trust, including capital expenditure and senior staff appointments, including the Principal

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Related Parties are as follows:

E Cahill is a Director of the Company and also Head Teacher at the School

B Palazzolo is a Director of the Company and also Deputy Headteacher at the School

T Allen is a Director of the Company and also a Teacher at the School

g. TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act, every governor or other officer of the charitable company shall be indemnified out of the assets of the charitable company against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Charitable Company.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the Academy Trust is to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a Catholic school designated as such, which shall offer a broad and balanced Curriculum and shall be conducted in accordance with the

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

principles, practices and tenets of the Catholic Church and all Catholic canon law applying thereto including any trust deed governing the use of land used by the Academy both generally and, in particular, in relation to arranging for religious education and daily acts of worship and having regard to any advice and following directives issued by the Archbishop.

In accordance with the articles of association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives of the Academy during the period ended 31 August 2014 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To raise the standard of educational achievement of all pupils;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with industry and commerce; and
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

The Academy's vision is to create:

- A strong ethos of achievement leading to improved standards
- Personal confidence
- Appropriate thinking skills

This is achieved through developing:

- A sense of personal identity
- A sense of belonging to an individual academy.
- An emphasis on personal and community responsibility
- A positive learning climate in terms of the nature of courses offered and teaching styles utilised
- Positive relationships with external partners.

c. PUBLIC BENEFIT

In setting the objectives, the governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Achievements and performance

a. ACHIEVEMENTS AND PERFORMANCE

Ofsted Inspection June 2014 – judged GOOD in all areas

S. 48 Religious Education Inspection – September 2014 judged GOOD in all areas

Quality Mark achievements: Science QM (awarded June 2014), PE QM (awarded July 2014), Maths and English QM (awarded November 2014)

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

b. KEY PERFORMANCE INDICATORS

Year 1 Phonics screening – 97% achieved the expected standard.

KS1 (Key Stage 1) Results of 2014:

| | | | |
|----------------------|-------------|-------------|-----------|
| Level 2+ Attainment: | Reading 93% | Writing 95% | Maths 98% |
| Level 3 Attainment: | Reading 51% | Writing 23% | Maths 57% |

KS2 (Key stage 2) Results of 2014:

| | | | |
|----------------------|-------------|-------------|-----------|
| Level 3+ Attainment: | Reading 97% | Writing 97% | Maths 97% |
| Level 4+ Attainment: | Reading 95% | Writing 92% | Maths 86% |
| Level 5+ Attainment: | Reading 64% | Writing 51% | Maths 53% |
| Level 6 Attainment: | Reading 0% | Writing 5% | Maths 14% |

Reading, Writing and Maths Level 4+ 86%

Reading, Writing and Maths Level 5+ 39%

KS1 – KS2 levels of progress: Reading 93% Writing 96% Maths 84%

Pupil Attendance Data

Pupil attendance is good with the school achieving an attendance figure of 97.1%.

Our target attendance for the year was 96.9%

c. GOING CONCERN

After making appropriate enquiries, the governing body has a reasonable expectation that the Academy 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. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Almost all of Academy Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2014, and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the year, the Trustees were successful in securing further discretionary capital funding from the EFA's Academies Capital Maintenance Fund (ACMF) to upgrade security at the Academy including new gates and perimeter fencing, to repair a section of the roof and to remodel the entrance to the Academy to allow parents better access to our School Office. In accordance with the Charities Statement of Recommended Practice, Accounting for Charities (SORP 2005) 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.

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

Total Income for the Year was £2,155,330 (Last Year: £2,216,339) and Total Expenditure for the Year was £2,164,044 (Last Year: £2,187,603) resulting in a net outflow of £8,714 (Last Year: inflow of £28,736).

The Academy Trust subscribes to the Local Government Pension Scheme (LGPS) in respect of its support staff. It inherited a projected deficit on its share of the LGPS upon conversion from a maintained school in 2012 and this stood at £(587,000) as at 31 August 2014, an increase of £132,000 over the prior year in spite of increased employers contributions, as a result of changes to Actuarial assumptions used in the valuation of the fund. The Trustees continue to monitor this and work with the Actuary to identify any further action that can be taken to reduce this, although it should be noted that this on-going deficit does not present the Academy Trust with a current liquidity problem: Under the charities SORP it is necessary to charge projected deficits on the LGPS to a restricted fund, which results in reducing the level of reserves shown in the total funds of the Academy Trust.

As at 31 August 2014, the Academy Trust had Total Funds amounting to £8,369,433 consisting of £72,826 of Unrestricted Funds and £8,296,607 of Restricted Fixed Asset Funds offset by a deficit of £(530,216) in relation to Restricted Funds which would have stood at £56,784 but for the inclusion of the £(587,000) deficit on the LGPS.

b. RESERVES POLICY

The Trustees were mindful of the need to build reserves for the Academy Trust when it initially converted from a maintained School and were able to secure over £100,000 for such purposes. The Trustees have subsequently agreed balanced budgets each year and have carefully managed the Academy Trust's finances to ensure that this position has been maintained. The Trustees review the level of reserves on a regular basis and believe it would be impractical to increase this further at a time when our core funding from the EFA has been falling year on year.

Total Reserves, excluding Fixed Asset Funds and our liability under the LGPS, stood at £129,610 as at 31 August 2014, being £72,826 of Unrestricted Funds and £56,784 of Restricted Funds.

The Trustees have agreed to ring fence £20,000 worth of reserves to 'self-insure' for Long Term Sickness and Absence of employees, leaving a balance of £109,610 of general reserves.

c. INVESTMENTS POLICY

The Academy Trust is permitted under its Articles of Association to deposit or invest any funds not immediately required for the furtherance of its Object, and the Trustees have agreed to restrict Investments to time deposits with UK High Street banks as they are considered to represent the lowest risk, whilst still giving some return.

The Trustees have identified that the £100,000 of reserves can be invested given that the Academy is operating to a balanced budget and its income generally precedes its expenditure, and have sought to maximise returns, without materially restricting liquidity by holding time deposits for up to 1 year duration, but with staggered maturity dates.

d. PRINCIPAL RISKS AND UNCERTAINTIES

The Companies Act 2006 s 417(3b) requires disclosure of the principal risks and uncertainties facing a company.

The Trustees consider the greatest risk to the longer term success of the Academy to be the continuing reduction in funding from the EFA following the decision of the Department for Education to make Academies subject to the same local funding formula as maintained schools. With the number of Children on the school roll pretty static, the Academy Trust received lower funding per pupil for the year to 31 August 2014 than it did for the prior year, and is expected to receive less again for the Year to 31 August 2015, and in all cases the reduction would have been higher had it not been capped by the EFA's Minimum Funding Guarantee. The majority of the Academy Trust's expenditure consists of the salaries of teaching and support staff, so in light of falling Income,

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

the Trustees, together with the Principal, have been tightly monitoring the Academy's staffing structure to ensure it remains affordable.

The Academy Trust does not use financial instruments (derivatives or investment products) and has limited trade and other debtors so its short term exposures principally relate to bank balances, cash and trade creditors, and we have robust internal controls and an on-going assurance programme to ensure risk is minimal in these areas.

Plans for future periods

a. PUPIL ACHIEVEMENT

Early years Foundation Stage

Close gaps in achievement of identified groups of children by providing intervention and support. To monitor and review achievement in writing and maths.

Key Stage 1

Investigate attainment of boys in reading and writing and implement strategies to close the gender gap with peers.

Investigate attainment of disadvantaged children in reading, writing and maths and implement strategies to close the gap with peers.

Investigate attainment of SEN in writing and implement strategies to close the gap with peers.

Key Stage 2

Investigate attainment of boys in reading and writing and implement strategies to close the gender gap.

Investigate attainment of girls in GPS and implement strategies to close the gender gap.

Investigate attainment of EAL children in reading, writing and maths and implement strategies to close the gap with peers.

b. THE QUALITY OF TEACHING

Increase the number of 'good' teachers and 'good to outstanding' teachers.

Improve developmental marking.

Review challenge for higher attaining children.

c. BEHAVIOUR & SAFETY OF PUPILS AT THE SCHOOL

Further develop children's learning behaviours.

d. QUALITY OF LEADERSHIP AND MANAGEMENT

Further develop Middle Leaders (subject leaders) to impact further on pupil outcomes.

All future plans are described, in detail, in the School's Institutional Development Plan.

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

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 Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the on 4 December 2014 and signed on the board's behalf by:



C Wright
Chair of Trustees

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that St Agatha's Catholic Primary School 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 Agatha's Catholic Primary School 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 board of trustees formally met 4 times and attendance at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| C Wright, Chair of Trustees | 3 | 4 |
| T Allen, Staff Trustee | 3 | 4 |
| J Blumenstein | 1 | 1 |
| E Cahill, Principal & Accounting Officer | 4 | 4 |
| L Collyer - Hamlin | 4 | 4 |
| J de Quidt, Vice Chair | 4 | 4 |
| N Kasolowsky | 4 | 4 |
| Fr. G O'Brien | 4 | 4 |
| B Palazzolo, Staff Trustee | 4 | 4 |
| S Povey | 4 | 4 |
| A Stewart | 4 | 4 |
| F Williams | 4 | 4 |
| B Wood | 2 | 2 |
| P Young, Chair of Trustees | 4 | 4 |

E Cahill took up the position of Principal and Accounting Officer on the first day of the reporting period.

B Wood was appointed as Foundation Governor and J Blumenstein as Community Governor during the Year to fill vacancies that arose prior to the year

S Povey resigned at the meeting of the Board of Governors on 3 July 2014, having completed her four year term of office as a Governor.

P Young held the role of Chair of Governors during the Year, but subsequently resigned at the meeting of the Board of Governors on 25 September 2014, having completed her four year term of office as a Governor. C Wright held the role of Vice Chair of Governors during the Year and was subsequently elected Chair of Governors on 25 September 2014 with J de Quidt being elected Vice Chair of Governors.

Governance reviews:

The Board of Governors reviews its effectiveness on a regular basis including self-appraisal by way of an annual questionnaire. The Company Secretary maintains a list of Governor's skills and experience, which is updated for new Governors as they join, and existing Governors on an annual basis and this is used by the Chair of Governors and Company Secretary when recruiting for new Foundation and Community Governors.

As at the date of this report, the Board of Governors has a vacancy for 1 Foundation Governor and 1 Parent

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Governor.

The Resources Committee is a sub-committee of the main board of trustees. Its purpose is to oversee the school finances; the maintenance and development of the school site and premises; and the adoption and implementation of staffing policies and procedures.

Attendance at meetings in the was as follows:

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| C Wright, Chair of Trustees | 3 | 3 |
| T Allen, Staff Trustee | 2 | 3 |
| E Cahill, Principal & Accounting Officer | 3 | 3 |
| J Blumenstein | 1 | 1 |
| J de Quidt, Vice Chair | 3 | 3 |
| S Povey | 2 | 3 |

During the year, C Wright, who is a chartered management accountant and corporate treasurer, chaired the Committee and acted as Finance Link Governor; and J d Quidt, former Chief Executive of the Football Licensing Authority (now the Sports Grounds Safety Authority), acted as Health and Safety Link Governor;

S Povey, who is a freelance bookkeeper, resigned from the Committee and the Board of Governors on 3 July 2014, having completed her four year term of office as a Governor; and J Blumenstein, who has a finance background, was asked to join the Committee in anticipation of S Povey leaving the Board of Governors.

There have been a number of changes to roles within the Committee following the election of C Wright to Chair of Governors on 25 September 2014. J de Quidt will continue as Health and Safety Link Governor but will also chair the Committee and J Blumenstein has been appointed as Finance Link Governor.

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 St Agatha's Catholic Primary School for the 1 September 2013 to 31 August 2014 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 1 September 2013 to 31 August 2014 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 Resources Committee of reports which indicate financial performance against the

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

- 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 Keith Fox, a financial consultant with expertise in school accounting matters, to carry out a range of checks on the Academy Trust's financial systems and procedures on a termly basis, and to report his findings formally to the Resources Committee.

The reviewer performs a range of checks on the academy's financial systems on a termly basis, and reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The appointee has delivered their schedule of work as planned, and there were no material control issues arising as a result of the appointee's work.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the in question the review has been informed by:

- the work of Keith Fox;
- 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 Resources Committee and a plan to address any weaknesses highlighted during the year and to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 5 December 2014 and signed on its behalf, by:


C Wright
Chair of Trustees


E Cahill
Accounting Officer

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Agatha's Catholic Primary School I have considered my responsibility to notify the academy 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 (2013).

I confirm that I and the academy 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 (2013).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the and EFA.

E A Cahill

E Cahill
Accounting Officer

Date: 05 December 2014

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

The Trustees (who act as governors of St Agatha's Catholic Primary School 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 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 governing body on 4 December 2014 and signed on its behalf by:


C Wright
Chair of Trustees

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF ST AGATHA'S CATHOLIC
PRIMARY SCHOOL**

We have audited the financial statements of St Agatha's Catholic Primary School for the year ended 31 August 2014 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 to 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2014 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 to 2014 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.

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF ST AGATHA'S CATHOLIC
PRIMARY SCHOOL**

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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Michael Durst (Senior statutory auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR
4 December 2014

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST AGATHA'S CATHOLIC PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 04 July 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Agatha's Catholic Primary School during the year 1 September 2013 to 31 August 2014 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 Agatha's Catholic Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Agatha's Catholic Primary School and 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 St Agatha's Catholic Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF ST AGATHA'S CATHOLIC PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of St Agatha's Catholic Primary School's funding agreement with the Secretary of State for Education dated 01 February 2012, and the Academies Financial Handbook extant from 1 September 2013, 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 to 2014. 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 2013 to 31 August 2014 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 to 2014 issued by 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.

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO ST AGATHA'S
CATHOLIC PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Michael Durst

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

5 December 2014

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2014

| | Note | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Voluntary income | 2 | 16,768 | - | - | 16,768 | 63,575 |
| Activities for generating funds | 3,4 | 57,241 | - | - | 57,241 | 44,828 |
| Investment income | 5 | 809 | - | - | 809 | 311 |
| Incoming resources from charitable activities | 6 | - | 1,937,903 | 142,609 | 2,080,512 | 2,107,625 |
| TOTAL INCOMING RESOURCES | | 74,818 | 1,937,903 | 142,609 | 2,155,330 | 2,216,339 |
| RESOURCES EXPENDED | | | | | | |
| Costs of generating funds: | | | | | | |
| Fundraising expenses and other costs | 4 | 60,424 | - | - | 60,424 | 57,825 |
| Charitable activities | | 5,346 | 1,961,083 | 122,311 | 2,088,740 | 2,116,707 |
| Governance costs | 7 | - | 14,880 | - | 14,880 | 13,071 |
| TOTAL RESOURCES EXPENDED | 10 | 65,770 | 1,975,963 | 122,311 | 2,164,044 | 2,187,603 |
| NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS | | 9,048 | (38,060) | 20,298 | (8,714) | 28,736 |

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2014

| | | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|---|-------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| | Note | | | | | |
| Transfers between Funds | 21 | - | (5,867) | 5,867 | - | - |
| NET INCOME / (EXPENDITURE) FOR THE YEAR | | 9,048 | (43,927) | 26,165 | (8,714) | 28,736 |
| Actuarial gains and losses on defined benefit pension schemes | | - | (106,000) | - | (106,000) | 8,000 |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 9,048 | (149,927) | 26,165 | (114,714) | 36,736 |
| <i>Total funds at 1 September 2013</i> | | <i>63,778</i> | <i>(380,289)</i> | <i>8,800,658</i> | <i>8,484,147</i> | <i>8,447,411</i> |
| TOTAL FUNDS AT 31 AUGUST 2014 | | 72,826 | (530,216) | 8,826,823 | 8,369,433 | 8,484,147 |

All activities relate to continuing operations.

All of the academy trust's activities derive from acquisitions in the current financial period.

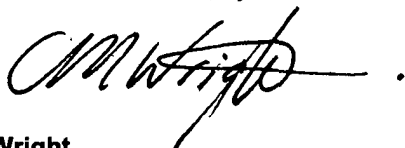
The notes on pages 23 to 41 form part of these financial statements.

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 7907633

BALANCE SHEET
AS AT 31 AUGUST 2014

| | Note | £ | 2014 £ | £ | 2013 £ |
|---|------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 17 | | 8,826,823 | | 8,800,658 |
| CURRENT ASSETS | | | | | |
| Stocks | 18 | 1,549 | | 2,017 | |
| Debtors | 19 | 80,353 | | 65,803 | |
| Cash at bank and in hand | | 213,999 | | 141,713 | |
| | | <u>295,901</u> | | <u>209,533</u> | |
| CREDITORS: amounts falling due within one year | 20 | (166,291) | | (71,044) | |
| NET CURRENT ASSETS | | | 129,610 | | 138,489 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 8,956,433 | | 8,939,147 |
| Defined benefit pension scheme liability | 26 | (587,000) | | (455,000) | |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | <u>8,369,433</u> | | <u>8,484,147</u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | 21 | 56,784 | | 74,711 | |
| Restricted fixed asset funds | 21 | 8,826,823 | | 8,800,658 | |
| Restricted funds excluding pension liability | | 8,883,607 | | 8,875,369 | |
| Pension reserve | | <u>(587,000)</u> | | <u>(455,000)</u> | |
| Total restricted funds | | | 8,296,607 | | 8,420,369 |
| Unrestricted funds | 21 | | 72,826 | | 63,778 |
| TOTAL FUNDS | | | <u>8,369,433</u> | | <u>8,484,147</u> |

The financial statements were approved by the Trustees, and authorised for issue, on 4 December 2014 and are signed on their behalf, by:



C Wright
Chair of Trustees

The notes on pages 23 to 41 form part of these financial statements.

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2014

| | Note | 2014 £ | 2013 £ |
|--|------|---------------|---------------|
| Net cash flow from operating activities | 23 | 220,762 | 218,041 |
| Capital expenditure and financial investment | 24 | (148,476) | (171,184) |
| INCREASE IN CASH IN THE YEAR | | <u>72,286</u> | <u>46,857</u> |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2014

| | 2014 £ | 2013 £ |
|--|----------------|----------------|
| Increase in cash in the year | <u>72,286</u> | <u>46,857</u> |
| MOVEMENT IN NET FUNDS IN THE YEAR | <u>72,286</u> | <u>46,857</u> |
| Net funds at 1 September 2013 | <u>141,713</u> | <u>94,856</u> |
| NET FUNDS AT 31 AUGUST 2014 | <u>213,999</u> | <u>141,713</u> |

The notes on pages 23 to 41 form part of these financial statements.

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

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 to 2014 issued by 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 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 Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

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.

Sponsorship income provided to the academy 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 it is measurable.

The value of donated services and gifts in kind provided to the academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy 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's policies.

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

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

1.4 Resources expended

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

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 £2,000 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|---------------------------|---|---------------|
| L/Term Leasehold Property | - | 125 Years |
| Fixtures and fittings | - | 5 to 10 Years |
| Computer equipment | - | 3 Years |
| Catering Equipment | - | 5 Years |

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.8 Stocks

Stocks 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.

1.9 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.

1.10 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 26, 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.

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

1. ACCOUNTING POLICIES (continued)

1.10 Pensions (continued)

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.

2. VOLUNTARY INCOME

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|-----------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | 16,768 | - | 16,768 | 63,575 |

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|----------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Lettings Income | 400 | - | 400 | 840 |
| Rent from Site Manager | 1,200 | - | 1,200 | 494 |
| Income from Staff re Bike Scheme | 667 | - | 667 | 333 |
| School Trip Income | 38,161 | - | 38,161 | 32,822 |
| Swimming Income | 905 | - | 905 | 1,143 |
| School Uniform Income | 11,344 | - | 11,344 | 8,618 |
| Other Income | 4,564 | - | 4,564 | 578 |
| | 57,241 | - | 57,241 | 44,828 |

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

4. TRADING ACTIVITIES

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Cost of generating income | | | | |
| School Trip Expenses | 46,425 | - | 46,425 | 48,723 |
| School Uniform Purchases | 10,961 | - | 10,961 | 7,420 |
| Swimming Expenses | 2,359 | - | 2,359 | 870 |
| Purchase of goods for resale | 679 | - | 679 | 812 |
| | <u>60,424</u> | <u>-</u> | <u>60,424</u> | <u>57,825</u> |
| Net expenditure from trading activities | <u>(60,424)</u> | <u>-</u> | <u>(60,424)</u> | <u>(57,825)</u> |

5.

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Investment income | <u>809</u> | <u>-</u> | <u>809</u> | <u>311</u> |

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Educational Operations | <u>-</u> | <u>2,080,512</u> | <u>2,080,512</u> | <u>2,107,625</u> |

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/EFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 1,751,301 | 1,751,301 | 1,771,953 |
| Pupil Premium | - | 39,735 | 39,735 | 30,046 |
| Insurance Grant | - | 14,041 | 14,041 | 20,438 |
| Capital Grant | - | 142,609 | 142,609 | 140,702 |
| SEN | - | 120,841 | 120,841 | 137,910 |
| Other EFA Grant | - | 9,885 | 9,885 | 6,576 |
| | - | 2,078,412 | 2,078,412 | 2,107,625 |
| Other government grants | | | | |
| Other Government Grant | - | 2,100 | 2,100 | - |
| | - | 2,100 | 2,100 | - |
| Other funding | | | | |
| | - | - | - | - |
| | - | 2,080,512 | 2,080,512 | 2,107,625 |

7. GOVERNANCE COSTS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Governance Auditors' remuneration | - | 6,200 | 6,200 | 6,750 |
| Governance Other Professional Charges | - | 8,680 | 8,680 | 5,721 |
| Governance expense - wages and salaries | - | - | - | 600 |
| | - | 14,880 | 14,880 | 13,071 |

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

8. DIRECT COSTS

| | Educational Operations | Total 2014 | <i>Total 2013</i> |
|-------------------------|-----------------------------------|-----------------------|-----------------------|
| Education Supplies | 76,768 | 76,768 | 83,729 |
| Staff Development | 16,415 | 16,415 | 17,946 |
| Educational Consultancy | 1,628 | 1,628 | 10,410 |
| Other direct costs | 23,192 | 23,192 | 17,301 |
| Technology costs | 19,111 | 19,111 | 17,886 |
| Wages and salaries | 1,162,288 | 1,162,288 | 1,208,787 |
| National insurance | 69,910 | 69,910 | 56,373 |
| Pension cost | 110,474 | 110,474 | 120,479 |
| | 1,479,786 | 1,479,786 | 1,532,911 |

9. SUPPORT COSTS

| | Educational Operations | Total 2014 | <i>Total 2013</i> |
|---------------------------------------|-----------------------------------|-----------------------|-----------------------|
| Pension Finance Costs - Actuarial | 16,000 | 16,000 | 17,000 |
| Depreciation | 122,311 | 122,311 | 105,677 |
| Maintenance of premises and equipment | 59,305 | 59,305 | 51,462 |
| Cleaning | 9,670 | 9,670 | 6,170 |
| Rent & Rates | 13,729 | 13,729 | 14,669 |
| Insurance | 21,737 | 21,737 | 35,604 |
| Catering | 14,105 | 14,105 | 13,820 |
| Bank interest and charges | 271 | 271 | 520 |
| Other support costs | 33,084 | 33,084 | 50,825 |
| Recruitment and support costs | - | - | 5,996 |
| Technology costs | 4,400 | 4,400 | 6,099 |
| Energy costs | 16,033 | 16,033 | 17,629 |
| Wages and salaries | 189,760 | 189,760 | 164,493 |
| National insurance | 9,549 | 9,549 | 7,832 |
| Pension contributions | 99,000 | 99,000 | 86,000 |
| | 608,954 | 608,954 | 583,796 |

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

10. RESOURCES EXPENDED

| | Staff costs | Non Pay Expenditure Other costs | Total | Total |
|--|--------------------|--|------------------|------------------|
| | 2014 | 2014 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Fundraising expenses | - | 60,424 | 60,424 | 57,825 |
| Costs of generating funds | - | 60,424 | 60,424 | 57,825 |
| Educational Operations | 1,342,672 | 137,114 | 1,479,786 | 1,532,911 |
| Support costs - Educational Operations | 298,309 | 310,645 | 608,954 | 583,796 |
| Charitable activities | 1,640,981 | 447,759 | 2,088,740 | 2,116,707 |
| Governance | - | 14,880 | 14,880 | 13,071 |
| | 1,640,981 | 523,063 | 2,164,044 | 2,187,603 |

11. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

| | Activities undertaken directly | Support costs | Total | Total |
|------------------------|---|--------------------------|--------------|--------------|
| | 2014 | 2014 | 2014 | 2013 |
| | £ | £ | £ | £ |
| Educational Operations | 1,479,786 | 608,954 | 2,088,740 | 2,116,707 |

12. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

| | 2014 | 2013 |
|--|-------------|-------------|
| | £ | £ |
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 122,311 | 84,133 |
| Auditors' remuneration | 6,200 | 6,750 |
| Governance Internal audit costs | - | - |

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

13. STAFF

a. Staff costs

Staff costs were as follows:

| | 2014 £ | 2013 £ |
|-------------------------------|------------------|------------------|
| Wages and salaries | 1,352,048 | 1,373,880 |
| Social security costs | 79,459 | 64,205 |
| Other pension costs (Note 26) | 209,474 | 206,479 |
| | <u>1,640,981</u> | <u>1,644,564</u> |

b. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

| | 2014 No. | 2013 No. |
|----------------------------|-------------|-------------|
| Teachers | 20 | 21 |
| Management | 2 | 2 |
| Administration and Support | 22 | 20 |
| | <u>44</u> | <u>43</u> |

c. Higher paid staff

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

| | 2014 No. | 2013 No. |
|-------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 1 | 0 |
| In the band £70,001 - £80,000 | 0 | 1 |
| | <u>1</u> | <u>1</u> |

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2013, pension contribution amounted £11,204.

14. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 3 Trustees (2013 - 2) in respect of defined contribution pension schemes.

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

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:

| | 2014 | 2013 |
|---------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Patrick Monk, Head Teacher | | 75-80 |
| Bianca Palazzolo, Staff Governor | 55-60 | 55-60 |
| Mrs Alexandra Thurman, Staff Governor | | 20-25 |
| Tim Allen, Staff Governor | 35-40 | 35-40 |

During the year, no Trustees received any reimbursement of expenses (2013 - £NIL).

15. 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 2014 was £875 (2013 - £849). The cost of this insurance is included in the total insurance cost.

16. OTHER FINANCE INCOME

| | 2014 | 2013 |
|--|-----------------|-----------------|
| | £ | £ |
| Expected return on pension scheme assets | 20,000 | 9,000 |
| Interest on pension scheme liabilities | (36,000) | (26,000) |
| | <u>(16,000)</u> | <u>(17,000)</u> |

17. TANGIBLE FIXED ASSETS

| | L/Term Leasehold Property £ | Fixtures and fittings £ | Computer equipment £ | Catering Equipment £ |
|-----------------------|--|--|-------------------------------------|-------------------------------------|
| Cost | | | | |
| At 1 September 2013 | 8,617,558 | 297,102 | 39,874 | 25,273 |
| Additions | - | 144,239 | 4,237 | - |
| At 31 August 2014 | <u>8,617,558</u> | <u>441,341</u> | <u>44,111</u> | <u>25,273</u> |
| Depreciation | | | | |
| At 1 September 2013 | 137,880 | 24,126 | 9,149 | 7,994 |
| Charge for the year | 68,940 | 33,775 | 14,532 | 5,064 |
| At 31 August 2014 | <u>206,820</u> | <u>57,901</u> | <u>23,681</u> | <u>13,058</u> |
| Net book value | | | | |

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

17. TANGIBLE FIXED ASSETS (continued)

| | | | | |
|-----------------------|------------------|----------------|---------------|--------------------|
| At 31 August 2014 | <u>8,410,738</u> | <u>383,440</u> | <u>20,430</u> | <u>12,215</u> |
| At 31 August 2013 | <u>8,479,678</u> | <u>272,976</u> | <u>30,725</u> | <u>17,279</u> |
| | | | | Total £ |
| Cost | | | | |
| At 1 September 2013 | | | | 8,979,807 |
| Additions | | | | <u>148,476</u> |
| At 31 August 2014 | | | | <u>9,128,283</u> |
| Depreciation | | | | |
| At 1 September 2013 | | | | 179,149 |
| Charge for the year | | | | <u>122,311</u> |
| At 31 August 2014 | | | | <u>301,460</u> |
| Net book value | | | | |
| At 31 August 2014 | | | | <u>8,826,823</u> |
| At 31 August 2013 | | | | <u>8,800,658</u> |

18. STOCKS

| | | |
|-------------------------------------|--------------|--------------|
| | 2014 | 2013 |
| | £ | £ |
| Finished goods and goods for resale | <u>1,549</u> | <u>2,017</u> |

19. DEBTORS

| | | |
|--------------------------------|---------------|---------------|
| | 2014 | 2013 |
| | £ | £ |
| Trade debtors | - | 1,075 |
| Other debtors | 21,082 | 10,296 |
| Prepayments and accrued income | 59,271 | 54,432 |
| | <u>80,353</u> | <u>65,803</u> |

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

20. CREDITORS:
Amounts falling due within one year

| | 2014 | 2013 |
|--------------------------------------|-----------------------|----------------------|
| | £ | £ |
| Trade creditors | - | 1,355 |
| Other taxation and social security | 27,964 | 28,605 |
| Other creditors | - | 876 |
| Accruals and deferred income | 138,327 | 40,208 |
| | <u>166,291</u> | <u>71,044</u> |
| | | £ |
| Deferred income | | |
| Deferred income at 1 September 2013 | | 40,208 |
| Resources deferred during the year | | 37,924 |
| Amounts released from previous years | | (40,208) |
| | | <u>37,924</u> |
| Deferred income at 31 August 2014 | | <u>37,924</u> |

At the balance sheet date the academy trust was holding funds received in advance for Insurance grant relates to the year ended 2013.

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

21. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|--|----------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|----------------------------------|----------------------------------|
| Unrestricted funds | | | | | | |
| General Funds - all funds | 63,778 | 74,818 | (65,770) | - | - | 72,826 |
| Restricted funds | | | | | | |
| Restricted Funds - all funds | 74,711 | 1,937,903 | (1,949,963) | (5,867) | - | 56,784 |
| Pension reserve | (455,000) | - | (26,000) | - | (106,000) | (587,000) |
| | (380,289) | 1,937,903 | (1,975,963) | (5,867) | (106,000) | (530,216) |
| Restricted fixed asset funds | | | | | | |
| Restricted Fixed Asset Funds - all funds | 8,800,658 | 142,609 | (122,311) | 5,867 | - | 8,826,823 |
| Total restricted funds | 8,420,369 | 2,080,512 | (2,098,274) | - | (106,000) | 8,296,607 |
| Total of funds | 8,484,147 | 2,155,330 | (2,164,044) | - | (106,000) | 8,369,433 |

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

Restricted Fixed Assets funds have been increased by capital grants provided by the DfE and reduced by depreciation charges.

Restricted General funds have been increased by revenue grants provided by the DfE and reduced by expenditure incurred in the operation of the academy.

The Restricted funds can only be used in the terms of limitations imposed by the Funding Agreement with the DfE and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the academy.

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 2014.

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/out £ | Gains/ (Losses) £ | Carried Forward £ |
|---------------------------------|-------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-------------------------|
| General funds | 63,778 | 74,818 | (65,770) | - | - | 72,826 |
| Restricted funds | (380,289) | 1,937,903 | (1,975,963) | (5,867) | (106,000) | (530,216) |
| Restricted fixed asset funds | 8,800,658 | 142,609 | (122,311) | 5,867 | - | 8,826,823 |
| | <u>8,484,147</u> | <u>2,155,330</u> | <u>(2,164,044)</u> | <u>-</u> | <u>(106,000)</u> | <u>8,369,433</u> |

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2014 £ | Restricted funds 2014 £ | Restricted fixed asset funds 2014 £ | Total funds 2014 £ | Total funds 2013 £ |
|---|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Tangible fixed assets | - | - | 8,826,823 | 8,826,823 | 8,800,658 |
| Current assets | 72,826 | 223,075 | - | 295,901 | 209,533 |
| Creditors due within one year | - | (166,291) | - | (166,291) | (71,044) |
| Provisions for liabilities and charges | - | (587,000) | - | (587,000) | (455,000) |
| | <u>72,826</u> | <u>(530,216)</u> | <u>8,826,823</u> | <u>8,369,433</u> | <u>8,484,147</u> |

23. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2014 £ | 2013 £ |
|--|----------------|----------------|
| Net incoming resources before revaluations | (8,714) | 28,736 |
| Depreciation of tangible fixed assets | 122,311 | 105,675 |
| Decrease/(increase) in stocks | 468 | (2,017) |
| (Increase)/decrease in debtors | (14,550) | 170,115 |
| Increase/(decrease) in creditors | 95,247 | (105,468) |
| FRS 17 adjustments | 26,000 | 21,000 |
| Net cash inflow from operations | <u>220,762</u> | <u>218,041</u> |

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

| | 2014 £ | 2013 £ |
|---|------------------|------------------|
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | <u>(148,476)</u> | <u>(171,184)</u> |

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

25. ANALYSIS OF CHANGES IN NET FUNDS

| | 1 September 2013 £ | Cash flow £ | Other non-cash changes £ | 31 August 2014 £ |
|---------------------------|-----------------------------|----------------|-----------------------------------|------------------------|
| Cash at bank and in hand: | 141,713 | 72,286 | - | 213,999 |
| Net funds | 141,713 | 72,286 | - | 213,999 |

26. 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 Royal Borough of Kingston Upon Thames. 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 August 2014.

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) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

26. PENSION COMMITMENTS (continued)

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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. 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 up to three and a half years 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 have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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. The total contribution made for the year ended 31 August 2014 was £110,000, of which employer's contributions totalled £89,000 and employees' contributions totalled £21,000. The agreed contribution rates for future years are 26.0% for employers and 5.5% to 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.

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014

26. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows:

| | 2014 £ | 2013 £ |
|-------------------------------------|------------------|------------------|
| Present value of funded obligations | (1,063,000) | (727,000) |
| Fair value of scheme assets | 476,000 | 272,000 |
| | <u>(587,000)</u> | <u>(455,000)</u> |
| Net liability | <u>(587,000)</u> | <u>(455,000)</u> |

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

| | 2014 £ | 2013 £ |
|----------------------------------|------------------|------------------|
| Current service cost | (99,000) | (86,000) |
| Interest on obligation | (36,000) | (26,000) |
| Expected return on scheme assets | 20,000 | 9,000 |
| | <u>(115,000)</u> | <u>(103,000)</u> |
| Total | <u>(115,000)</u> | <u>(103,000)</u> |
| Actual return on scheme assets | <u>43,000</u> | <u>33,000</u> |

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

| | 2014 £ | 2013 £ |
|--------------------------------------|------------------|----------------|
| Opening defined benefit obligation | 727,000 | 579,000 |
| Current service cost | 99,000 | 86,000 |
| Interest cost | 36,000 | 26,000 |
| Contributions by scheme participants | 21,000 | 19,000 |
| Actuarial Losses | 181,000 | 17,000 |
| Benefits paid | (1,000) | - |
| | <u>1,063,000</u> | <u>727,000</u> |
| Closing defined benefit obligation | <u>1,063,000</u> | <u>727,000</u> |

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

26. PENSION COMMITMENTS (continued)

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

| | 2014 | 2013 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Opening fair value of scheme assets | 272,000 | 137,000 |
| Expected return on assets | 20,000 | 9,000 |
| Actuarial gains and (losses) | 75,000 | 25,000 |
| Contributions by employer | 89,000 | 82,000 |
| Contributions by employees | 21,000 | 19,000 |
| Benefits paid | (1,000) | - |
| | 476,000 | 272,000 |

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £-124000 (2013 - £-18000).

The academy expects to contribute £95000 to its Defined benefit pension scheme in 2015.

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

| | 2014 | 2013 |
|-------------------|----------------|----------------|
| European equities | 81.00 % | 78.00 % |
| European bonds | 13.00 % | 12.00 % |
| Property | 4.00 % | 4.00 % |
| Cash | 2.00 % | 6.00 % |

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

| | 2014 | 2013 |
|--|---------------|---------------|
| Discount rate for scheme liabilities | 3.70 % | 4.60 % |
| Expected return on scheme assets at 31 August | 5.80 % | 6.00 % |
| Rate of increase in salaries | 4.40 % | 5.10 % |
| Rate of increase for pensions in payment / inflation | 2.60 % | 2.80 % |

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

| | 2014 | 2013 |
|----------------------|-------------|-------------|
| Retiring today | | |
| Males | 22.5 | 24.2 |
| Females | 24.7 | 25.2 |
| Retiring in 20 years | | |
| Males | 24.6 | 26.0 |
| Females | 27.0 | 27.2 |

ST AGATHA'S CATHOLIC PRIMARY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2014**

26. PENSION COMMITMENTS (continued)

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

| | 2014 £ | 2013 £ |
|--|------------------|------------------|
| Defined benefit obligation | (1,063,000) | (727,000) |
| Scheme assets | 476,000 | 272,000 |
| Deficit | <u>(587,000)</u> | <u>(455,000)</u> |
| Experience adjustments on scheme liabilities | (181,000) | (17,000) |
| Experience adjustments on scheme assets | <u>75,000</u> | <u>25,000</u> |

27. OPERATING LEASE COMMITMENTS

At 31 August 2014 the academy had annual commitments under non-cancellable operating leases as follows:

| | 2014 £ | 2013 £ |
|-----------------------|-----------|---------------|
| Expiry date: | | |
| Within 1 year | 11,157 | - |
| Between 2 and 5 years | <u>-</u> | <u>14,876</u> |

28. 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.

No related party transactions took place in the period of account.