

Registered number: 08260020

ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2013



 **bishop
fleming**
chartered accountants

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

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**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Trustees	E Bailey, Staff Trustee (appointed 1 December 2012) ^{2,5} B Blacklaws (appointed 1 December 2012) ^{1,3} J Depedro (appointed 1 December 2012) ^{2,4} T Finnegan, Vice-Chair (appointed 18 October 2012) ^{1,2,3,4,5} A Flaherty-Weeks, Chair (appointed 18 October 2012) ^{2,5} J Guttridge (appointed 1 December 2012) ^{3,5} J John (appointed 1 December 2012) ^{1,3,5} C Kamen (appointed 1 December 2012) ^{1,5} S Land, Acting Deputy Headteacher (appointed 1 December 2012) ^{2,5} A Pritchard, Headteacher (appointed 1 December 2012) ^{1,2,3,4,5} P Thomas (appointed 1 December 2012) ^{1,3}
	¹ Finance Committee ² Pastoral Care and Personnel Committee ³ Premises, Health and Safety Committee ⁴ Admissions Committee ⁵ Curriculum and School Improvement Committee
Company registered number	08260020
Principal and registered office	Luckington Road Monks Park Bristol BS7 0UP
Company secretary	E Vaughan (appointed 1 December 2012)
Accounting Officer	A Pritchard
Senior leadership team	A Pritchard, Headteacher S Land, Acting Deputy Headteacher (from 1 November 2013), EYFS/KS1 Lead A McAllister, Deputy Headteacher (to 31 October 2013)
Independent auditors	Bishop Fleming Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank Plc 20 Badminton Road Downend Bristol BS16 6BW

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
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**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2013**

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of St Teresa's Catholic Primary School Bristol (the charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy) for the period ended 31 August 2013. 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The Academy, which incorporated on 18 October 2012 and opened as an Academy on 1 December 2012, is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees act as the Trustees for the charitable activities of St Teresa's Catholic Primary School Bristol and are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served throughout the period, except as noted, are included 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

On 1 December 2012 the Trustees appointed all those Trustees that served the predecessor primary school to be Trustees of the newly formed Academy with the exception of the parent Trustees, community Trustee and staff Trustees. These were re-elected. All Trustees were appointed on a term of office starting from the 1 December 2012.

The Academy Trust shall have the following Trustees as set out in the Articles of Association and funding agreement:

- The number of Trustees who are appointed by the Board of Trustees shall be subject to a maximum of 12.
- All Trustees shall upon their appointment or election give us a written undertaking to the Trustees and the Diocesan Bishop to uphold the Object of the Academy Trust.
- Up to 7 Foundation Trustees (of which at least 3 must be parents of a registered pupil or former pupil).
- Up to 2 staff Trustees appointed by the Board of Trustees. The total number of Trustees who are employees of the Academy Trust (including the Headteacher) must not exceed one third of the total number of Trustees.
- 1 Parent Trustee who is elected by parents of registered pupils at the Academy.
- The Headteacher who is treated for all purposes as being an ex-officio Trustee.
- Any additional Trustees and any further Trustees (if appointed as seen fit by the Secretary of State).
- The Academy may also have up to 3 co-opted Trustees, providing that the number of Foundation Trustees increases proportionately to ensure that a majority of Trustees are Foundation Trustees by at least two.

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

In the event that a staff member is co-opted, the total number of Trustees employed by the Academy Trust including the Headteacher must not exceed one third of the total number of Trustees

Trustees are appointed for a four year period, except that this time does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development

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

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet the Chair of Trustees and the Headteacher. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be informal and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Diocese, the Local Authority and other bodies

e. ORGANISATIONAL STRUCTURE

The Board of Trustees normally meets five times a year, twice before Christmas, once in Spring and twice in Summer. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports and policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks which would be time limited

There are 5 committees as follows

- Finance Committee – meets at least four times a year and is responsible for monitoring, evaluating and Reviewing policy and performance in relation to financial management and ensuring compliance with reporting and regulatory requirements. The Finance Committee receive reports from the Responsible Officer and from auditors and recommends appropriate actions, and drafts the annual budget which then goes to the Board of Trustees for ratification, under its delegated powers. It also incorporates the role of an audit committee
- Curriculum and School Improvement Committee – meets at least three times a year to evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting, assessment and Statutory Attainment Tests. It also ensures that the Special Needs, Gifted and Talented Enrichment provision meets the needs of our pupils
- Pastoral Care and Personnel Committee – meets at least 3 times a year to agree the Pay Policy, review The staffing structure and to deal with staffing, appraisal, employment and matters relating to the pastoral life of the School
- Premises, Health and Safety Committee – meets at least 3 times a year, or as required, giving detailed consideration to the management of the Academy's estate with due regard to the School Improvement Plan and Health and safety, ensuring the buildings are as ecologically efficient as possible, within resources
- Admissions Committee – meets at least 3 times a year to agree Admissions policy and to deal with Admissions

The following decisions are reserved to the Board of Trustees, to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or vice Chair, suspension of Trustees and the appointment of the Headteacher, Deputy Headteacher and Clerk to the Trustees and approval of the final budget

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
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**TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013**

The Trustees are responsible for setting general policy, adopting an annual School improvement plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy and capital expenditure in line with its policies

Although Trustees are involved in appointing senior staff, including a Headteacher, the decision of appointment for all but the Deputy Headteacher has been delegated to the Headteacher and members of the Pastoral care and Personnel committee

The Trustees have developed responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT). The Senior Leadership Team comprises the Headteacher, Deputy Headteacher and Key Stage lead. The SLT implement policies laid down by the Trustees and report back to them on performance

The Academy has a leadership structure which consists of the Trustees, the Senior Leadership team and Subject Leaders. The leadership structure enables the devolution of appropriate responsibility and sessions making at all levels

The Headteacher and Finance Committee are responsible for the authorisation of spending within agreed budgets, a summary of which is in the scheme of delegation/Finance Policy

The Headteacher is the Accounting Officer

f RISK MANAGEMENT

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to teaching, electronic communication and data, finance, provision of facilities and other operational areas

The Academy has undertaken a full review of the main areas of risks which it faces. This includes all Health and Safety and Child Protection policies and procedures. In addition a review of financial risks is undertaken on a regular basis

The Academy has a formal Risk Management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk the Academy faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A Risk Register is maintained and reviewed on a regular basis

g TRUSTEES' INDEMNITIES

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default of breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of indemnity is £2,000,000

h. PRINCIPAL ACTIVITIES

The principal activity of the Academy is to provide free Catholic education for pupils of different abilities between the ages of 4 and 11

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

I CONNECTED ORGANISATIONS, INCLUDING RELATED PARTIES

There are no related parties which either control or influence the decisions and operations of St Teresa's Catholic Primary School Bristol Academy Trust, except for the Bishop of Clifton who is the ultimate controlling party by virtue of holding the ability to appoint the majority of the Board of Trustees. There are no sponsors or Formal Parent Teacher Association associated with the Academy.

OBJECTIVES AND ACTIVITIES

a. OBJECTS AND AIMS

The Headteacher's object and activity of the Academy is to advance for the public benefit, and the Church, the education of young people who will shape future society.

The aims of the Academy during the period ended 31 August 2013 were to

- Secure, preserve and promote Catholic values
- Provide a broad and balanced curriculum, including extra curricular opportunities
- Develop pupils as effective learners
- Ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- Improve the effectiveness of the school by keeping the curriculum and organisational structure under continual review
- Maximise the number of pupils who achieve in line with or above national expectations and ensure each one achieves his/her potential
- Provide value for money for the taxpayer
- Comply with all appropriate statutory and curriculum requirements
- Maintain close links with partner schools
- Develop the Academy's capacity to manage change
- Conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

St Teresa's is a mixed Catholic Primary school of 210 pupils of whom 30 pupils are in each year group. St Teresa's serves families within the Diocese of Clifton including parts of Bristol and South Gloucestershire. Our core mission is to provide a Catholic education that inspires our school family to excellence in all our God-given talents, where we let our lights shine for all to see.

We are committed to help the pupils we serve maximise their educational opportunity by using the resources at our disposal as efficiently and effectively as possible. Our school vision is 'Inspiring each other to excellence in the light of Christ'.

The school which has an improving and now excellent reputation for its academic performance was judged by Ofsted as a good school and the Diocese to be an outstanding school in our Section 48 inspection.

The Board of Trustees continue to seek improvements in their work on behalf of the pupils so that we become outstanding in every area.

Applications for places annually far exceed the number available. There were 83, 82 and 67 applications for the 30 places available in September 2011-2013 respectively.

96% of our children are of Catholic background. There is a higher than average number of pupils who are from black and minority ethnic groups, 70.6% in 2012/2013, and more than 50% of our pupils have English as an Additional Language. 5% pupils are known to be eligible for Free School Meals, which is lower than the national average (census spring 2013). St Teresa's has an attendance rate of 95.8% with a 0.8% unauthorised absence.

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

rate in 2012/2013

Within the school, 4.4% of its pupils with identified barriers to learning are on the Special Needs register. These range from pupils with mild learning difficulties to those with statements identifying special support requirements in order that they might more easily access mainstream curriculum provision. These pupils are supported by Learning Support Assistants, our Inclusion and Pupil Support Leader and external agencies as appropriate.

'Performance across the school is good or better and by the time children leave school at the end of Year 6, their attainment in all subjects (reading, writing and maths) is significantly above average' (RAISE Online Report 2013)

Ofsted in September 2012 said 'The School under the strong leadership of the Headteacher, has significantly improved since the last inspection. A clear vision for the school to be of excellence is promoted by the Senior Leadership Team and embraced by all staff.'

The report from our Diocesan Inspection in December 2012 where we were judged as 'outstanding' stated 'The Catholic life of the school is integral to all aspects of its development and is at the heart of its entire endeavour'. 'The ethos of the school is characterised by trust and a sense of belonging, encouraging pupils to develop a sense of self-worth and to respond to the high expectations set for them'. 'The Catholic life of the school is vibrant, explicit in every aspect and is of paramount importance. It informs all systems, structures and strategies in theory and in practice.'

The school's commitment to our environment and developing expertise in recycling and conservation resulted in the school being awarded the ECO school status. This year we were successful in being awarded UNICEF's Level 1 'Rights Respecting School' Award.

The total numbers of employees, as from September 2013 is 34 including 11 teachers, 15 pupil support, 7 administration and premises and 1 management staff.

Each year in order to bring about improvements and move towards achieving our vision, staff identify key development areas based on self-review and evaluations. These become foci for attention across the school.

Key priorities for the year are contained in our School Improvement Plan which is available from the school office.

Improvement foci for this year include

- Continuing to raise standards of achievement across the curriculum and school particularly focusing on reading, writing and raising attainment for vulnerable groups
- Improving the quality of teaching and learning to ensure consistently good or better teaching across the school
- Continuing to improve the quality of leadership and management in all areas, at all levels

c. KEY PERFORMANCE INDICATORS

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management and spending against the General Annual Grant (GAG) requires special attention to the amount of carry forward. In the period under review, £47,971 was carried forward representing 7.2% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. 4-11 year old pupils for 2012/2013 were 210, an increase from 203 in 2011/2012.

Another key financial performance indicator is the staffing costs as a percentage of the GAG. For 2012/2013 this was 75.8% which is within the optimum level recommended by the EFA.

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

d PUBLIC BENEFIT

The Trustees confirm that they have complied with the requirement of Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

As an Academy we have a duty to support other schools. Our named school in the Academy status application was St Nicholas of Tolentine Catholic Primary School and we work with them in developing staff, curriculum and leadership.

ACHIEVEMENTS AND PERFORMANCE

a. GOING CONCERN

After making appropriate enquiries, the Board of Trustees 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 Accounting Policies.

b REVIEW OF ACTIVITIES

The Academy is in its first period of operation and has maintained the forecast number of pupils. The total number of pupils in the period ended 31 August 2013 was 210. The Academy is full in all year groups and has a waiting list in operation.

The Academy is heavily oversubscribed. There were 67 applications for the 30 places available in Reception in September 2013.

SATs results continue to improve. In Summer 2013, pupils at all levels achieved outstanding results exceeding expectation. Achievement both in terms of attainment and progress is significantly above national average by the time pupils reach the end of their primary school education.

Key Stage 1 (Year 2)						
	L2+ National Average 12	L2+ St Teresa's 13	L2b+ National Average 12	L2b+ St Teresa's 13	L3+ National Average 12	L3+ St Teresa's 13
Reading	87%	90%	76%	80%	27%	27%
Writing	83%	87%	64%	73%	14%	20%
Maths	91%	90%	76%	77%	22%	27%
Level 2 is the expected level for 7 Year Olds						

Key Stage 2 (Year 6)							
	L4+ National Average 12	L4+ St Teresa's 13 Teacher Assessment	L4+St Teresa's 13 Tests	L5+ National Average 12	L5+ St Teresa's 13 Teacher Assessment	L5+ St Teresa's 13 Tests	L6+ St Teresa's 13 Tests
Reading	86%	93%	93%	48%	73%	59%	
Writing	81%	87%	Not tested	28%	57%	Not tested	
SPAG*			86%			76%	3%
Maths	84%	93%	93%	39%	69%	69%	14%
Level 4 is the expected for the children by the time they leave primary school							
L4+ Reading, Writing, Maths 90%							
L5+ Reading, Writing, Maths 52%							

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

For Year 6 we have included the figures based on teacher assessment (Level 4 and 5) alongside the results awarded in the tests. You will see that we exceeded the national figure (2012) in all areas, and are particularly pleased with the percentage achieving a L5+.

*This figure is for the new 'Spelling, punctuation and grammar test' which was administered for the first time (2012-2013). There is no comparative data available.

Trustees and staff at St Teresa's are delighted with the fantastic achievements of our Year 6's in 2013.

To ensure that teachers continue to develop and improve in their craft, the Academy operates a programme of lesson observations, which are undertaken by the Senior Leadership Team, Subject leaders and external consultants. There is also a clear framework for peer to peer support and sharing good practice. This also ensures that best practice within the school is known and can be emulated by others thus reducing disparity in performance within our school.

Continuing professional development for teachers has been very successful. In addition to their training, 4 teaching staff have now completed the Outstanding Teacher Programme. 1 member of staff has completed Middle leaders accredited training and another member of staff has completed the Diocesan Aspiring Leaders Programme.

c. FINANCIAL REVIEW

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2013 and the associated expenditure are shown as Restricted funds in the statement of financial activities.

The Academy also receives grants for fixed assets from the DfE and these 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 useful life of the assets concerned, as defined in the Academy's Accounting Policies.

During the period ended 31 August 2013, total expenditure of £711,169 was covered by recurrent grant funding from the DfE, together with other incoming resources of £767,689 (excluding donations transferred on conversion). The excess of income over expenditure for the period (excluding donations transferred on conversion) was £56,520.

At 31 August 2013 the net book value of fixed assets was £1,685,606 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used to provide education and the associated support services to the pupils of the Academy.

The land and other assets were transferred from the LA to the Academy upon conversion. Land and buildings were valued by the EFA as at 31 March 2013 at £1,688,000.

The balance of the former school's budget share (£53,890) was transferred across on conversion and is shown as Unrestricted Funds.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities with details in note 24 to the financial statements.

Key financial policies adopted or reviewed during the period include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher and other staff, as well as delegated authority for spending.

The Trustees have agreed a programme of internal checks on financial controls and for the first period, Responsible Officer checks have been undertaken by the Independent Auditors and presented to the Finance Committee for review.

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

d INVESTMENT POLICY AND PERFORMANCE

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees may consider the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

FINANCIAL REVIEW

a FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

As highlighted previously, the Academy has agreed a Risk Management Strategy and a Risk Register. These have been discussed by Trustees and include the financial risk to the Academy.

The Trustees have implemented a number of systems to assess and minimise risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Whilst the Academy is over subscribed, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changing in funding arrangements for Special Educational Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update report at all the Board of Trustees and Finance Committee meetings. Cash flow forecasts are used to ensure sufficient funds are available to cover all known and anticipated commitments, as well as contingencies.

At the period end, the Academy had no significant liabilities arising from trade creditors or debtors where there would be significant effect on liquidity.

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 24 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Academy are as follows:

Financial – the Academy has considerable reliance on continued Government funding through the EFA. In the last year 97% of Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same level or on the same terms.

Governance and/or management – the risk in this area arises from potential failure to manage effectively the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational – the continuing success of the Academy is dependant on attracting applicants in sufficient numbers. To mitigate this risk Trustees ensure that pupil success and achievement are closely monitored and reviewed so that we continue to achieve the highest educational standards.

Safeguarding and Child Protection – the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety discipline.

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**TRUSTEES' REPORT (continued)
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Staffing – the success of the Academy is reliant on appointing and maintaining quality staff. Trustees monitor and review policies and procedures to ensure continued development and training of staff is a priority, so that staff feel confident in their work and feel successful. Trustees also ensure there is clear succession planning in place.

Fraud and management of funds – The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. The Headteacher keeps an eye on the budget and is adept at seeking clarification on any fluctuations in spending.

The Academy has continued to strengthen its Risk Management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained, reviewed and updated on a regular basis.

c. RESERVES POLICY

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Academy had unrestricted funds at the period end totalling £86,512, which consists of £4,174 held in the School Fund, £28,416 held in the Governors Fund and £53,922 in the General Fund.

PLANS FOR THE FUTURE

a. FUTURE DEVELOPMENTS

The Academy will continue to strive to provide outstanding education and to improve the performance of its pupils and staff at all levels. The Academy will maintain its stance, that we attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue working with partner schools to improve the educational opportunities for pupils in the wider community.

We plan to maintain small class sizes with a Learning Support Assistant in each class which will reflect in academic outcomes being improved.

FUNDS HELD AS CUSTODIAN

The Academy and its Trustees do not act as the Custodian Trustees of any other charity.

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 relevant audit information and to establish that the charitable company's auditors are aware of that information.

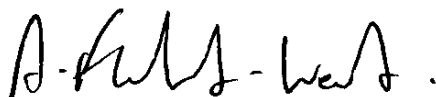
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**TRUSTEES' REPORT (continued)
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AUDITORS

The auditors, Bishop Fleming, have indicated their willingness to continue in office and a resolution to appoint them will be approved at the Annual General Meeting

This report was approved by order of the Board of Trustees on 5 12.13 and signed on its behalf by



A Flaherty-Weeks
Chair of Trustees

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that St Teresa's Catholic Primary School Bristol has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage risk 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 St Teresa's Catholic Primary School Bristol 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 has formally met 5 times during the period. Attendance during the period at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
E Bailey,	5	5
B Blacklaws	5	5
J Depedro	4	5
T Finnegan (Vice Chair)	4	5
A Flaherty-Weeks (Chair)	5	5
J Guttridge	5	5
J John	4	5
C Kameni	5	5
S Land	4	5
A Pritchard, Headteacher	4	5
P Thomas	3	5

The Finance Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibilities to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity. To make appropriate comments and recommendations on such matters to the Board of Trustees on a regular basis. Major issues will be referred to the full Board of Trustees for ratification.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
A Pritchard	4	4
B Blacklaws	4	4
C Kameni	4	4
J John	4	4
T Finnegan	2	4
P Thomas	2	4

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 Teresa's Catholic Primary School Bristol for

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

the period 18 October 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 period 18 October 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 Bishop Fleming, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the auditors report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

In the period since conversion, the auditors have delivered their schedule of work as planned, and there were no material control issues as a result of the auditors' work.

REVIEW OF EFFECTIVENESS

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

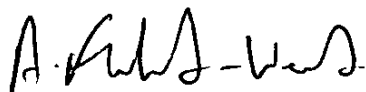
- the work of the external auditors,
- the financial management and governance self-assessment process,
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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.

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Approved by order of the members of the Board of Trustees on 5 12.13 and signed on their behalf, by



A Flaherty-Weeks
Chair of Trustees



A Pritchard
Accounting Officer

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Teresa's Catholic Primary School Bristol 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.

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.

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



A Pritchard
Accounting Officer

Date 5-12-13

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

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

The Trustees (who act as governors of St Teresa's Catholic Primary School Bristol 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

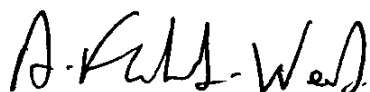
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material 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 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 and signed on its behalf by



A Flaherty-Weeks
Chair of Trustees

Date 5.12.13

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST TERESA'S CATHOLIC PRIMARY
SCHOOL BRISTOL**

We have audited the financial statements of St Teresa's Catholic Primary School Bristol for the period 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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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.

The Trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. 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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period 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.

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST TERESA'S CATHOLIC PRIMARY
SCHOOL BRISTOL**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements, or
- the academy has not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit

Bishop Fleming

David Butler FCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date *17 December 2013*

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST TERESA'S
CATHOLIC PRIMARY SCHOOL BRISTOL AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 27 August 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 St Teresa's Catholic Primary School Bristol during the period 18 October 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to St Teresa's Catholic Primary School Bristol and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Teresa's Catholic Primary School Bristol 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 St Teresa's Catholic Primary School Bristol and the EFA, for our work, for this report, or for the conclusion we have formed

**RESPECTIVE RESPONSIBILITIES OF ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL'S
ACCOUNTING OFFICER AND THE REPORTING AUDITORS**

The Accounting Officer is responsible, under the requirements of St Teresa's Catholic Primary School Bristol's funding agreement with the Secretary of State for Education dated 18 December 2012, and the Academies Financial Handbook extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 18 October 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST TERESA'S
CATHOLIC PRIMARY SCHOOL BRISTOL 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 period 18 October 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

Bishop Fleming

David Butler FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date *17 October 2013*

ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Donation from local authority on conversion	2	53,889	(310,000)	1,697,315	1,441,204
Other voluntary income	2	44,065	4,412	-	48,477
Activities for generating funds	3	180	-	-	180
Investment income	4	113	-	-	113
Incoming resources from charitable activities	5	22,448	690,187	6,284	718,919
TOTAL INCOMING RESOURCES		120,695	384,599	1,703,599	2,208,893
RESOURCES EXPENDED					
Charitable activities		34,183	638,498	21,150	693,831
Governance costs	9	-	17,338	-	17,338
TOTAL RESOURCES EXPENDED	6	34,183	655,836	21,150	711,169
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		86,512	(271,237)	1,682,449	1,497,724
Transfers between Funds	17	-	(5,792)	5,792	-
NET INCOME FOR THE YEAR		86,512	(277,029)	1,688,241	1,497,724
Actuarial gains and losses on defined benefit pension schemes		-	16,000	-	16,000
NET MOVEMENT IN FUNDS FOR THE YEAR		86,512	(261,029)	1,688,241	1,513,724
Total funds at 18 October 2012		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		86,512	(261,029)	1,688,241	1,513,724

All of the Academy's activities derive from acquisitions in the current financial period

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

The notes on pages 24 to 42 form part of these financial statements

ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER 08260020

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
FIXED ASSETS			
Tangible assets	14		1,685,606
CURRENT ASSETS			
Debtors	15	38,784	
Cash at bank and in hand		196,894	
		<u>235,678</u>	
CREDITORS: amounts falling due within one year	16	(98,560)	
NET CURRENT ASSETS			<u>137,118</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,822,724</u>
Defined benefit pension scheme liability	23	(309,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>1,513,724</u></u>
FUNDS OF THE ACADEMY			
Restricted funds			
General funds	17	47,971	
Fixed asset funds	17	1,688,241	
		<u>1,736,212</u>	
Restricted funds excluding pension liability			
Pension reserve		(309,000)	
		<u>1,427,212</u>	
Total restricted funds			1,427,212
Unrestricted funds	17		86,512
TOTAL FUNDS			<u><u>1,513,724</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on **5-12-13** and are signed on their behalf, by

A. Flaherty-Weeks

A Flaherty-Weeks
Chair of Trustees

The notes on pages 24 to 42 form part of these financial statements

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013**

	Note	2013 £
Net cash flow from operating activities	19	114,357
Returns on investments and servicing of finance	20	113
Capital expenditure and financial investment	20	(3,158)
Cash transferred on conversion to an academy trust	22	85,582
INCREASE IN CASH IN THE PERIOD		196,894

All of the cash flows are derived from acquisitions in the current financial period

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

	2013 £
Increase in cash in the period	196,894
MOVEMENT IN NET FUNDS IN THE PERIOD	196,894
NET FUNDS AT 31 AUGUST 2013	196,894

The notes on pages 24 to 42 form part of these financial statements

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 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. 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 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 and accordingly have concluded that it is appropriate to adopt the going concern basis.

1.3 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.

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

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.4 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.

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

1.5 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.

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 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 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	-	2% straight line
Office equipment	-	14% straight line
Computer equipment	-	20% straight line

1.7 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.

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1. ACCOUNTING POLICIES (continued)

1.8 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 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

1.9 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from St Teresa's Catholic Primary School to an Academy Trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item Their fair value is in accordance with the accounting policies set out for St Teresa's Catholic Primary School Bristol The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds

Further details of the transaction are set out in note 22

ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)

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

2 VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Donation from local authority on conversion	53,889	1,387,315	1,441,204
Other donations	44,065	4,412	48,477
Voluntary income	97,954	1,391,727	1,489,681

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Lettings	180	-	180
	180	-	180

4 INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank interest	113	-	113

ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
(A COMPANY LIMITED BY GUARANTEE)

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA grants			
Capital Grants	-	6,284	6,284
General Annual Grant	-	666,464	666,464
Other DfE/EFA grants	1,200	7,950	9,150
	<u>1,200</u>	<u>680,698</u>	<u>681,898</u>
Other government grants			
Special Educational Needs	-	15,773	15,773
	<u>-</u>	<u>15,773</u>	<u>15,773</u>
Other funding			
Internal catering income	11,377	-	11,377
Music and swimming income	8,449	-	8,449
Other	1,422	-	1,422
	<u>21,248</u>	<u>-</u>	<u>21,248</u>
	<u>22,448</u>	<u>696,471</u>	<u>718,919</u>

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Premises 2013 £	Other costs 2013 £	Total 2013 £
Direct costs	429,102	20,960	38,200	488,262
Support costs	84,524	55,118	65,927	205,569
CHARITABLE ACTIVITIES	<u>513,626</u>	<u>76,078</u>	<u>104,127</u>	<u>693,831</u>
GOVERNANCE	<u>5,683</u>	<u>-</u>	<u>11,655</u>	<u>17,338</u>
	<u>519,309</u>	<u>76,078</u>	<u>115,782</u>	<u>711,169</u>

ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

7. DIRECT COSTS

	Total 2013 £
Educational supplies	13,873
Staff development	6,693
Educational visits	8,048
Supply teachers	9,396
Wages and salaries	361,571
National insurance	16,624
Pension cost	50,907
Depreciation	21,150
	<u>488,262</u>

8. SUPPORT COSTS

	Total 2013 £
Pension finance costs	11,000
Other costs	4,589
Non-teaching absence cover	3,637
Recruitment and other staff costs	902
Maintenance of premises and equipment	25,656
Cleaning	3,897
Rent and rates	4,683
Heat and light	11,297
Insurance	7,627
Security and transport	6,047
Catering	13,630
Technology costs	9,356
Office overheads	8,182
Legal and professional	4,190
Bank interest and charges	575
Music tuition	5,777
Wages and salaries	68,315
National insurance	2,423
Pension cost	13,786
	<u>205,569</u>

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9. GOVERNANCE COSTS

	Total 2013 £
Auditors' remuneration	6,500
Auditors' non-audit costs	3,300
Legal and Professional	1,413
Trustees expenses reimbursed	442
Governance expense - wages and salaries	4,952
Governance expense - national insurance	142
Governance expense - pension costs	589
	<u>17,338</u>

10 NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	2013 £
Depreciation of tangible fixed assets - owned by the charity	21,151
Auditors' remuneration	6,500
Auditors remuneration- non-audit	<u>3,300</u>

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

11. STAFF COSTS

Staff costs were as follows

	2013 £
Wages and salaries	420,143
Social security costs	19,189
Other pension costs (Note 23)	65,283
	<u>504,615</u>
Redundancy payments	14,694
	<u>519,309</u>

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

	2013 No
Teachers	8
Pupil support	6
Administration and premises	4
Management	1
	<u>19</u>

No employee received remuneration amounting to more than £60,000 during the period

12. TRUSTEES' REMUNERATION AND EXPENSES

During the period retirement benefits were accruing to 3 Trustees in respect of defined benefit contribution pension schemes

The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payment from the Academy in respect of their role as Trustees. The value of Trustees' remuneration (including employer's pension contributions) whilst in office for the 9 month period was as follows: A Pritchard £45,000 - £50,000, E Bailey £5,000 - £10,000, S Land £30,000 - £35,000

During the period, no Trustees received any reimbursement of expenses

13 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 period ended 31 August 2013 was £640

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

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NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Office equipment £	Computer equipment £	Total £
COST				
Additions	-	5,792	3,650	9,442
Transferred on conversion	1,697,315	-	-	1,697,315
At 31 August 2013	1,697,315	5,792	3,650	1,706,757
DEPRECIATION				
Charge for the period	20,960	69	122	21,151
At 31 August 2013	20,960	69	122	21,151
NET BOOK VALUE				
At 31 August 2013	1,676,355	5,723	3,528	1,685,606

Included in long term leasehold property is land of £300,000, which is not depreciated

15 DEBTORS

	2013 £
Trade debtors	1,017
VAT repayable	10,516
Other debtors	1,807
Prepayments and accrued income	25,444
	38,784

**16. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £
Trade creditors	48,819
Other taxation and social security	8,613
Other creditors	1,280
Accruals and deferred income	39,848
	98,560

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

17 STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General Fund	-	84,927	(31,005)	-	-	53,922
School Fund	-	5,009	(835)	-	-	4,174
Governors Fund	-	30,759	(2,343)	-	-	28,416
	-	120,695	(34,183)	-	-	86,512
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	666,464	(612,701)	(5,792)	-	47,971
Special Educational Needs (SEN)	-	15,773	(15,773)	-	-	-
Pupil premium	-	7,950	(7,950)	-	-	-
Other restricted funds	-	4,412	(4,412)	-	-	-
Pension reserve	-	(310,000)	(15,000)	-	16,000	(309,000)
	-	384,599	(655,836)	(5,792)	16,000	(261,029)
RESTRICTED FIXED ASSET FUNDS						
Fixed Assets purchased from GAG	-	-	(98)	5,792	-	5,694
Fixed assets transferred on conversion	-	1,697,315	(20,960)	-	-	1,676,355
DfE/EFA Capital grants	-	6,284	(92)	-	-	6,192
	-	1,703,599	(21,150)	5,792	-	1,688,241
Total restricted funds	-	2,088,198	(676,986)	-	16,000	1,427,212
Total of funds	-	2,208,893	(711,169)	-	16,000	1,513,724

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

UNRESTRICTED FUNDS

The Governors Fund represents contributions from Governors towards future capital projects

The School Fund represents contributions from pupils towards future trips

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

17. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

The General Annual Grant (GAG) represents funding received from the EFA during the period in order to fund the continuing activities of the school

Special Education Needs (SEN) funding is received from the EFA to cater for pupils with learning difficulties and other disabilities

Pupil premium funding represents amounts received from the EFA to cater for disadvantaged pupils

Other restricted income represents various small donations received

The pension reserve represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

FIXED ASSET FUNDS

Fixed assets purchased from GAG represents amounts spent on fixed assets from the GAG funding received from the EFA

Fixed assets transferred on conversion represent the land and building donated to the school from Bristol City Council on conversion to an academy

DfE/EFA capital funds represent amounts funding received from the EFA to purchase fixed assets

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	-	120,695	(34,183)	-	-	86,512
Restricted funds	-	384,599	(655,836)	(5,792)	16,000	(261,029)
Restricted fixed asset funds	-	1,703,599	(21,150)	5,792	-	1,688,241
	<u>-</u>	<u>2,208,893</u>	<u>(711,169)</u>	<u>-</u>	<u>16,000</u>	<u>1,513,724</u>

ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	1,685,607	1,685,607
Current assets	86,512	146,531	2,634	235,677
Creditors due within one year	-	(98,560)	-	(98,560)
Defined benefit pension scheme liability	-	(309,000)	-	(309,000)
	<u>86,512</u>	<u>(261,029)</u>	<u>1,688,241</u>	<u>1,513,724</u>

19 NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £
Net incoming resources	1,497,724
Returns on investments and servicing of finance	(113)
Net assets transferred on conversion	(1,472,897)
Depreciation of tangible fixed assets	21,151
Capital grants from DfE	(6,284)
Increase in debtors	(38,784)
Increase in creditors	98,560
Defined benefit pension scheme adjustments	15,000
NET CASH INFLOW FROM OPERATIONS	<u><u>114,357</u></u>

20 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	<u>113</u>
	<u>2013 £</u>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
Purchase of tangible fixed assets	(9,442)
Capital grants from DfE	6,284
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u><u>(3,158)</u></u>

ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

21 ANALYSIS OF CHANGES IN NET FUNDS

	18 October 2012	Cash flow	Other non-cash changes	31 August 2013
	£	£	£	£
Cash at bank and in hand	-	196,894	-	196,894
NET FUNDS	-	196,894	-	196,894

22 CONVERSION TO AN ACADEMY TRUST

On 1 December 2013 St Teresa's Catholic Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Teresa's Catholic Primary School Bristol from Bristol City Council for £NIL consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Freehold/leasehold land and buildings	-	-	1,697,315	1,697,315
Budget surplus/(deficit) on LA funds	53,889	-	-	53,889
LGPS pension surplus/(deficit)	-	(310,000)	-	(310,000)
Net assets/(liabilities)	53,889	(310,000)	1,697,315	1,441,204

The above net assets include £53,889 that were transferred as cash

**ST TERESA'S CATHOLIC PRIMARY SCHOOL BRISTOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

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 Bristol City 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 £942 were payable to the scheme at 31 August 2013 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 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

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**NOTES TO THE FINANCIAL STATEMENTS
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23 PENSION COMMITMENTS (continued)

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. The total contribution made for the period ended 31 August 2013 was £35,000, of which employer's contributions totalled £26,000 and employees' contributions totalled £9,000. The agreed contribution rates for future years are 21.1% 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.

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23. PENSION COMMITMENTS (continued)

As described in note 22 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

The amounts recognised in the Balance Sheet are as follows

	2013 £
Present value of funded obligations	(413,000)
Fair value of scheme assets	104,000
	<hr/>
Net liability	(309,000)
	<hr/>

The amounts recognised in the Statement of Financial Activities are as follows

	2013 £
Current service cost	(30,000)
Interest on obligation	(14,000)
Expected return on scheme assets	3,000
	<hr/>
Total	(41,000)
	<hr/>

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

	2013 £
Current service cost	30,000
Interest cost	14,000
Contributions by scheme participants	9,000
Actuarial gains	(10,000)
Liabilities transferred on conversion	370,000
	<hr/>
Closing defined benefit obligation	413,000
	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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

	2013 £
Expected return on assets	3,000
Actuarial gains	6,000
Contributions by employer	26,000
Contributions by employees	9,000
Assets transferred on conversion	60,000
	<u>104,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was a gain of £16,000

The Academy expects to contribute £35,000 to its Defined Benefit Pension Scheme in 2014

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

	2013
Equities	64.50 %
Government Bonds	10.70 %
Other Bonds	8.80 %
Property	7.10 %
Cash	1.80 %
Other	7.10 %

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

	2013
Discount rate for scheme liabilities	4.60 %
Expected return on scheme assets at 31 August	5.89 %
Rate of increase in salaries	3.90 %
Rate of increase for pensions	2.40 %
Inflation assumption (CPI)	2.40 %

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

	2013
Retiring today	
Males	22.9 years
Females	25.9 years
Retiring in 20 years	
Males	25.2 years
Females	28.2 years

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23. PENSION COMMITMENTS (continued)

Amounts for the current period are as follows

Defined benefit pension schemes

	2013 £
Defined benefit obligation	(413,000)
Scheme assets	104,000
Deficit	(309,000)
Experience adjustments on scheme liabilities	10,000
Experience adjustments on scheme assets	6,000

24. OPERATING LEASE COMMITMENTS

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

	2013 £
EXPIRY DATE:	
Between 2 and 5 years	1,702

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from the local public and private sector organisation, it is likely that transactions will take place with organisations in which a member of the Board of Trustees may have 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 such transactions have occurred during the period.

26. CONTROLLING PARTY

The ultimate controlling party is the Bishop of Clifton by virtue of holding the ability to appoint the majority of the Board of Trustees.