

**ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**



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**ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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**ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

Trustees	A Hibbert, Chair (appointed 1 November 2012) ^{1,3,4} J Carpenter, Vice Chair (appointed 1 November 2012) ^{2,4} J McCarthy, Headteacher (appointed 1 November 2012) ^{1,2,3,4} G Calderbank (appointed 1 November 2012) ¹ M Cush (appointed 1 November 2012) ² J Flannery (appointed 1 November 2012) ⁴ G Ihejiro (appointed 1 November 2012) ³ Reverend R McKay (appointed 1 November 2012) ⁴ C Earlington (appointed 1 November 2012) ³ D Smith (appointed 1 November 2012) ² H Bailey (appointed 1 November 2012) ^{1,3} C Allen (appointed 1 November 2012) ² <div>¹ Finance and Resources Committee ² Standards and Curriculum Committee ³ Personnel Committee ⁴ Pastoral Committee</div>
Company registered number	08278118
Principal and registered office	Pennywell Road Bristol BS5 0TJ
Company secretary	A Roberts
Accounting officer	J McCarthy
Senior leadership team	J McCarthy, Headteacher H Bailey, Deputy Headteacher L Ellis, Lower School Leader F King, Key Stage 2 Leader A Roberts, Business Manager
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
Solicitors	Bristol City Council Legal Services 3rd Floor City Hall College Green Bristol BS1 5TR

**ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
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**TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2013**

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the period ended 31 August 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy (was incorporated on 1 November 2012 and opened as an Academy on 1 December 2012) is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees act as the Trustees for the charitable activities of St Nicholas of Tolentine Catholic Primary School and are also the directors of the Charitable Company for the purposes 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.

Members' liability

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

Trustees' indemnities

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.

Principal Activity

The principal activity is to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing a primary school offering a broad and balanced curriculum.

The principal activity of the Academy is to provide free education for pupils of different abilities between the ages of 4-11 years with a distinctive Catholic foundation.

TRUSTEES

Method of recruitment and appointment or election of Trustees

On 1 December 2012 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, to ensure a staggered re-election or replacement process.

The Academy's Board of Trustees comprises the Headteacher, a minimum of 2 Parent Trustees, up to 2 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 9 other Trustees.

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

- up to 8 Trustees who are appointed by the Bishop
- up to 2 Parent Trustees who are elected by parents of registered pupils at the Academy
- up to 2 staff Trustees who are elected by contracted members of staff
- up to 1 Community Trustees who are appointed by the Board of Trustees
- the Headteacher who is treated for all purposes as being an ex officio Trustee

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher.

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

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

Policies and Procedures adopted for the Induction and Training of Trustees

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the 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 staff and pupils. All Trustees are provided with access to 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 done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each term. 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 including 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 over a limited timescale.

There are 4 committees as follows,

- **Finance & Resources Committee** - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from Bishop Fleming and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.
- **Standards & Curriculum Committee** - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- **Personnel Committee**
- **Pastoral Committee**

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 Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual 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, capital expenditure and staff appointments.

The Academy has a leadership structure which consists of the Trustees, The Senior Leadership Team (SLT) and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The SLT consists of the Headteacher, Deputy Headteacher, two phase leaders and the Academy Bursar. The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Business Manager and Finance & Resources Committee are responsible for the authorisation of spending within agreed budgets, a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation.

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

The Headteacher is responsible for ensuring appropriate selection and appointment of new staff

The Headteacher is the Accounting Officer

Risk management

The Trustees have implemented a system to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to teaching, health & safety and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

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.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of St Nicholas of Tolentine Catholic School.

The Academy has established a Parent Teacher Association known as Parent Link and has a business partner which is associated with the Academy, Contract Construction Consultants.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on providing an education based on the Gospel teachings and Catholic faith.

The principal object and activity of the Charitable Company is the operation of St Nicholas of Tolentine Catholic School to provide free education and care for pupils of different abilities between the ages of 5 and 11. The Academy is a VA Catholic School.

The aims of the Academy during the period ended 31 August 2013 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra curricular activities
- to develop students as more effective learners
- to develop the Academy site so that it enables students to achieve their full potential
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to maximise the number of students who achieve expected outcomes at the end of each phase
- to provide value for money for the funds expended
- to develop greater coherence, clarity and effectiveness in school systems
- to comply with all appropriate statutory and curriculum requirements
- to maintain close links with partner Catholic schools and other school improvement networks
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness

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

At St Nicholas of Tolentine Catholic School we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Key priorities for the year are contained in our Academy Development Plan which is available from the Academy Office. Improvement focuses identified for this year include:

- Leadership
- Attendance
- ICT
- PE
- Assessment
- Core Learning Skills

Ambitious targets have been set for the end of EYFS, KS1 and KS2 SAT assessments.

Key activities and targets were identified in the Academy Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status.

Public Benefit

The Trustees confirm that they have complied with the duty contained in the 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.

The Academy aims to advance for the public benefit, education in Easton and the surrounding area. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development schools, offering a broad curriculum with a strong emphasis on, but in no way limited to the faith foundations of the Academy.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As an Academy we have a duty to support other schools. Our named school in the Academy status is St Teresa's. We support this school through sharing specialist skills, collaboration and shared school improvement activities, eg joint training.

ACHIEVEMENTS AND PERFORMANCE

Achievements and Performance

The Academy is in its first period of operation and has exceeded the forecast number of students. The total number of students in the period ended 31 August 2013 was 177 but this has increased to 186 in September 2013 due to an increased Reception year intake. The Academy is full in two year groups and has a waiting list in operation. The Academy is oversubscribed. There were 65 applicants for the 30 places available in year Reception.

Achievement 2012/13

Foundation Stage

In 2012/13 the majority of children entered YR well below national average in CLL and PSRN and left in line with National. Children achieving GLD at the end of EYFS is 41%, below Bristol average and well below National,

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

however internal monitoring of progress from children's entry levels show accelerated progress and that children move closer to expected outcomes. Over the past 3 years, an increasing number of children are reaching 1C in Reading, Writing and Mathematics. Overall we judge achievement in EYFS to be satisfactory but rapidly improving. Changes have been made this year with replacement of an LSA with an additional teacher to increase the quality and quantity of direct teaching, and the appointment of a Phase leader to drive standards up, monitor and challenge the EYFS team.

Key Stage One

2013 attainment at the end of KS1 was above National in Reading, Writing and Mathematics for children working at 2b+. Average point scores in reading, writing and mathematics are very close to National. The school has increased the number of children reaching L2a and L3 over the past 3 years.

There is an ongoing trend of improvements in progress and attainment. APS progress over KS1 is above average. Therefore, overall, the school judges achievement in KS1 to be good and accelerating.

Key Stage Two

2013 attainment at L4+ in English and Mathematics and English and Mathematics combined is broadly in line with National, except for writing which is below. Attainment for FSM children is above National on all measures. APS is in line or above National. Value added progress is significantly higher than National for all groups of children. The proportion of pupils achieving Level 5 has improved as a result of split class teaching in Year 6, targeting more able pupils.

Overall the school judges achievement in KS2 as good.

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 Going concern policy.

Key Financial Performance Indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period under review, £46,796 was carried forward representing 7% of GAG.

FINANCIAL REVIEW

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 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 £882,722 was covered by recurrent grant funding from the DfE, together with other incoming resources of £2,144,601. The excess of income over expenditure for the period (excluding restricted fixed asset funds) was £2,511.

At 31 August 2013 the net book value of fixed assets was £1,402,175 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

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

Assets were transferred to the Academy upon conversion. These have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former school's budget share (£119,625) 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.

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, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Trustees have adopted a Responsible Officer Policy and appointed Bishop Fleming to undertake a programme of internal checks on the financial controls. During the period, the Trustees received 2 reports from Bishop Fleming which contained no matters of significance.

Financial and Risk Management Objectives and Policies

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustees' and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

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

The Board of Trustees recognises that the defined benefit scheme deficit (Local Government Pension Scheme), 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, this risk from this liability is minimised.

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 period 88% of the Academy's incoming resources (excluding amounts recognised on conversion) was 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 levels or on the same terms.

Governance and/or management - the risk in this area arises from potential failure to effectively manage 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.

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

Reputational - the continuing success of the Academy is dependant on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

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 & safety and discipline.

Staffing - the success of the Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed Bishop Fleming to undertake a program of additional testing and 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 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 and reviewed and updated on a regular basis.

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 Trustees have determined that the appropriate level of free cash reserves should be approximately £100,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £129,908.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods.

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

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Chair of Finance Committee within strict guidelines approved by the Board of Trustees.

PLANS FOR FUTURE PERIODS

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

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

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

We plan to maintain and roll out small class sizes (dependent on outcomes of evaluation on impact in 2013/14) with the phased replacement of teaching assistants in each class with qualified teachers which will reflect in academic outcomes being improved

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

FIXED ASSETS

Where, in the opinion of the trustees, the market value of land and buildings is materially different to the book amount included in the balance sheet a note indicating the difference in value should be included

TRUSTEES INDEMNITIES

As the Trustees are directors, disclosure is required of whether there were any third party indemnity provisions during the year or at the date of approval of the trustees' report

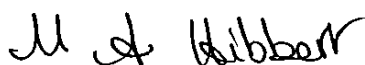
AUDITORS

In so far as the Trustees are aware

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

The auditors, Bishop Fleming, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting

Approved by order of the Board of Trustees on 28 November 2013 and signed on its behalf by



A Hibbert
Chair of Trustees

**ST NICHOLAS OF TOLentine CATHOLIC PRIMARY SCHOOL
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that St Nicholas of Tolentine 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 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 Nicholas of Tolentine 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 has formally met 3 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
A Hibbert, Chair	1	3
J Carpenter, Vice Chair	3	3
J McCarthy, Headteacher	3	3
G Calderbank	3	3
M Cush	3	3
J Flannery	2	3
G Ihejiro	2	3
Reverend R McKay	3	3
C Earlington	0	3
D Smith	2	3
H Bailey	3	3
C Allen	2	3

The Finance and Premises Committee is a sub-committee of the main Board of Trustees. The purpose of the Finance Committee is to ensure that the standards of financial control and administration are adhered to, make financial plans including agreeing the draft budget, and monitor the progress of income and expenditure. The Finance Committee has formally met 3 times during the year.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
A Hibbert	3	3
J McCarthy	3	3
G Calderbank	3	3
H Bailey	3	3

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 Nicholas of Tolentine Catholic Primary School for the period 1 November 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

GOVERNANCE STATEMENT (continued)

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 1 November 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 and Premises 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 a program of 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 termly 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.

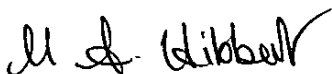
REVIEW OF EFFECTIVENESS

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 & Premises Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 28 November 2013 and signed on their behalf, by



A Hibbert
Chair of Trustees



J McCarthy
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of St Nicholas of Tolentine Catholic Primary School 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.



J McCarthy
Accounting Officer

Date 28 November 2013

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

The Trustees (who act as governors of St Nicholas of Tolentine 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

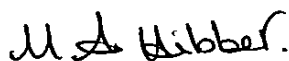
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles of the Charities SORP,
- make judgments and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume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

Date: 28 November 2013

**ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST NICHOLAS OF TOLENTINE CATHOLIC
PRIMARY SCHOOL**

We have audited the financial statements of St Nicholas of Tolentine Catholic Primary School 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 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 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST NICHOLAS OF TOLENTINE 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

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 *2 December 2013*

**ST NICHOLAS OF TOLentine CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST NICHOLAS OF
TOLentine CATHOLIC PRIMARY SCHOOL 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 Nicholas of Tolentine Catholic Primary School during the period 1 November 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 Nicholas of Tolentine Catholic Primary School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Nicholas of Tolentine Catholic Primary School 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 Nicholas of Tolentine Catholic Primary School and the EFA, for our work, for this report, or for the conclusion we have formed

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

The Accounting Officer is responsible, under the requirements of St Nicholas of Tolentine Catholic Primary School's funding agreement with the Secretary of State for Education dated 30 November 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 1 November 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 NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST NICHOLAS OF
TOLENTINE 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 period 1 November 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 *2 December 2013*

ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(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					
Transfer from Local Authority on conversion	2	119,625	(304,000)	1,290,184	1,105,809
Other voluntary income	2	86	95,604	-	95,690
Activities for generating funds	3	6,248	-	-	6,248
Investment income	4	126	-	-	126
Incoming resources from charitable activities	5	22,488	908,271	5,969	936,728
TOTAL INCOMING RESOURCES		148,573	699,875	1,296,153	2,144,601
RESOURCES EXPENDED					
Charitable activities	7	17,790	802,338	36,785	856,913
Governance costs	9	875	24,934	-	25,809
TOTAL RESOURCES EXPENDED	6	18,665	827,272	36,785	882,722
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		129,908	(127,397)	1,259,368	1,261,879
Transfers between Funds	17	-	(142,807)	142,807	-
NET INCOME FOR THE YEAR		129,908	(270,204)	1,402,175	1,261,879
Actuarial gains and losses on defined benefit pension schemes		-	18,000	-	18,000
NET MOVEMENT IN FUNDS FOR THE YEAR		129,908	(252,204)	1,402,175	1,279,879
Total funds at 1 November 2012		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		129,908	(252,204)	1,402,175	1,279,879

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

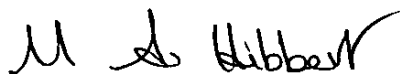
The notes on pages 21 to 40 form part of these financial statements

ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER. 08278118


BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£	2013 £
FIXED ASSETS			
Tangible assets	14		1,402,175
CURRENT ASSETS			
Debtors	15	127,969	
Cash at bank and in hand		217,563	
		<u>345,532</u>	
CREDITORS: amounts falling due within one year	16	(168,828)	
NET CURRENT ASSETS			<u>176,704</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,578,879</u>
Defined benefit pension scheme liability	24	(299,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>1,279,879</u>
FUNDS OF THE ACADEMY			
Restricted funds			
General funds	17	46,796	
Fixed asset funds	17	1,402,175	
		<u>1,448,971</u>	
Restricted funds excluding pension liability		(299,000)	
Pension reserve			
Total restricted funds			<u>1,149,971</u>
Unrestricted funds	17		<u>129,908</u>
TOTAL FUNDS			<u>1,279,879</u>

The financial statements were approved by the Trustees, and authorised for issue, on 28 November 2013 and are signed on their behalf, by



A Hibbert
Chair of Trustees



J McCarthy
Headteacher

The notes on pages 21 to 40 form part of these financial statements

**ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	9 months ended 31 August 2013 £
Net cash flow from operating activities	19	165,817
Returns on investments and servicing of finance	20	126
Capital expenditure and financial investment	20	(68,005)
Cash transferred on conversion to an academy trust	23	119,625
INCREASE IN CASH IN THE PERIOD		217,563

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**

	9 months ended 31 August 2013 £
Increase in cash in the period	217,563
MOVEMENT IN NET FUNDS IN THE PERIOD	217,563
NET FUNDS AT 31 AUGUST 2013	217,563

The notes on pages 21 to 40 form part of these financial statements

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

1.2 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.

1.3 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.

**ST NICHOLAS OF TOLentine CATHOLIC PRIMARY SCHOOL
(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.

**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 £250 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:

Long Term Leasehold Property	-	20-50 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years 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.

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 24, 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.

**ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)**

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

1 ACCOUNTING POLICIES (continued)

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 Nicholas of Tolentine 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 Nicholas of Tolentine Catholic Primary School. 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 23

2 VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Transfer from Local Authority on conversion	119,625	986,184	1,105,809
Donations	86	95,604	95,690
Voluntary income	119,711	1,081,788	1,201,499

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Lettings	1,728	-	1,728
Other income	4,520	-	4,520
	6,248	-	6,248

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank interest	126	-	126

ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(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			
General Annual Grant	-	673,137	673,137
Start up Grants	-	25,000	25,000
Other DfE/EFA grants	1,200	52,544	53,744
Capital Grants	-	155,573	155,573
	<u>1,200</u>	<u>906,254</u>	<u>907,454</u>
Other government grants			
Special Educational Needs	-	4,986	4,986
Other non capital government grants	-	3,000	3,000
	<u>-</u>	<u>7,986</u>	<u>7,986</u>
Other funding			
Internal catering income	17,789	-	17,789
Sales to students	3,499	-	3,499
	<u>21,288</u>	<u>-</u>	<u>21,288</u>
	<u>22,488</u>	<u>914,240</u>	<u>936,728</u>

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Premises 2013 £	Other costs 2013 £	Total 2013 £
Direct costs - Education	395,543	1,718	95,387	492,648
Support costs - Education	83,390	38,157	242,718	364,265
CHARITABLE ACTIVITIES	<u>478,933</u>	<u>39,875</u>	<u>338,105</u>	<u>856,913</u>
GOVERNANCE	<u>915</u>	<u>-</u>	<u>24,894</u>	<u>25,809</u>
	<u>479,848</u>	<u>39,875</u>	<u>362,999</u>	<u>882,722</u>

ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

7. DIRECT COSTS

	Total 2013 £
Pension finance costs	5,000
Educational supplies	39,136
Staff development	4,517
Other costs	4,233
Supply teachers	7,315
Technology costs	119
Wages and salaries	329,607
National insurance	17,711
Pension cost	48,225
Depreciation	36,785
	<u>492,648</u>

8. SUPPORT COSTS

	Total 2013 £
Pension finance costs	3,000
Other costs	9,727
Recruitment and other staff costs	4,594
Maintenance of premises and equipment	163,998
Cleaning	9,961
Rent and rates	3,404
Heat and light	12,648
Insurance	14,356
Security and transport	6,938
Catering	36,186
Technology costs	133
Office overheads	9,340
Legal and professional	6,590
Wages and salaries	63,276
National insurance	2,825
Pension cost	17,289
	<u>364,265</u>

ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

9. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Auditors' remuneration	-	6,000	6,000
Auditors' non audit costs	875	5,772	6,647
Legal and Professional	-	11,672	11,672
Other costs	-	575	575
Governance expense - wages and salaries	-	904	904
Governance expense - NI	-	2	2
Governance expense - pension costs	-	9	9
	875	24,934	25,809

10. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	9 months ended 31 August 2013 £
Depreciation of tangible fixed assets - owned by the charity	36,785
Auditors' remuneration	6,000
Auditors' remuneration - non-audit	6,647

ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

11. STAFF COSTS

Staff costs were as follows

	9 months ended 31 August 2013 £
Wages and salaries	393,787
Social security costs	20,538
Other pension costs (Note 24)	65,523
	<u>479,848</u>

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

	9 months ended 31 August 2013 No
Teachers	7
Teaching support	10
Administration	2
Management	3
	<u>22</u>

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

	9 months ended 31 August 2013 No.
In the band £60,001 - £70,000	<u>1</u>

The above employee participated in the Teachers' Pension Scheme Annual equivalent pension contributions during the period, for this staff member amounted to £8,644

ST NICHOLAS OF TOLENTINE CATHOLIC PRIMARY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

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

12. TRUSTEES' REMUNERATION AND EXPENSES

During the period retirement benefits were accruing to 4 Trustees in respect of defined contribution pension schemes

During the period, no Trustees received any benefits in kind

During the period, no Trustees received any reimbursement of expenses

Headteacher and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher or staff and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees

The value of staff Trustee's remuneration and pension contributions in respect of defined benefit pension schemes over the 9 month period fell into £5,000 bandings as follows: J McCarthy £50,000 - £55,000, H Bailey £30,000 - £35,000, D Smith £0 - £5,000 and C Allen £5,000 - £10,000

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 £559

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

14. TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 November 2012	-	-	-	-
Additions	99,079	4,555	45,142	148,776
Transfer on conversion	1,277,000	4,110	9,074	1,290,184
At 31 August 2013	1,376,079	8,665	54,216	1,438,960
DEPRECIATION				
At 1 November 2012	-	-	-	-
Charge for the period	16,980	1,733	18,072	36,785
At 31 August 2013	16,980	1,733	18,072	36,785
NET BOOK VALUE				
At 31 August 2013	1,359,099	6,932	36,144	1,402,175

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

15. DEBTORS

	2013 £
VAT recoverable	21,602
Prepayments and accrued income	106,367
	<hr/> 127,969 <hr/>

16. CREDITORS.
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £
Trade creditors	65,425
Other taxation and social security	10,652
Accruals and deferred income	92,751
	<hr/> 168,828 <hr/>

DEFERRED INCOME

Resources deferred during the year	£ 1,356
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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	-	148,573	(18,665)	-	-	129,908
RESTRICTED FUNDS						
General Annual Grant (GAG)	-	673,137	(598,776)	(27,565)	-	46,796
Special Education Needs	-	4,986	(4,986)	-	-	-
Pupil premium	-	52,544	(52,544)	-	-	-
Start up grant	-	25,000	(25,000)	-	-	-
Local Authority Co-ordinated Voluntary Aided Programme	-	92,150	(92,150)	-	-	-
Academies Capital Maintenance Fund	-	149,604	(34,362)	(115,242)	-	-
Other restricted funds	-	6,454	(6,454)	-	-	-
Pension reserve	-	(304,000)	(13,000)	-	18,000	(299,000)
	-	699,875	(827,272)	(142,807)	18,000	(252,204)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	-	1,290,184	(20,827)	-	-	1,269,357
Fixed assets purchased from GAG and other restricted funds	-	-	-	27,565	-	27,565
DfE/EFA Capital grants	-	5,969	(15,958)	115,242	-	105,253
	-	1,296,153	(36,785)	142,807	-	1,402,175
Total restricted funds	-	1,996,028	(864,057)	-	18,000	1,149,971
Total of funds	-	2,144,601	(882,722)	-	18,000	1,279,879

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

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

RESTRICTED FUNDS

The General Annual Grant represents funding received from the Education Funding Agency during the period in order to fund the continuing activities of the school

Special Education Needs 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

Start up grant is funding from the Department for Education to cover costs in converting to an academy such as, obtaining legal advice, costs of software licence transfers, HR/TUPE advice, re-branding costs and expenses incurred in setting up the Academy

Local Authority Co-ordinated Voluntary Aided Programme represents funding received towards the roof repairs of the property

Academies Capital Maintenance Fund represents funding received from the Academies Capital Maintenance Fund

Other restricted funds represents amounts received from various bodies and includes income under the following initiatives, British Council Partnership Project Grants and educational visits

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 transferred on conversion represent the building and equipment donated to the Academy from Bristol City Council on conversion to an academy

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

DfE/EFA Capital grants represents devolved capital and academies capital maintenance funding received for the period

TRANSFERS BETWEEN FUNDS

The transfer from the restricted fund to the restricted fixed asset fund represents the total capital expenditure from the General Annual Grant during the period

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

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

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	-	148,573	(18,665)	-	-	129,908
Restricted funds	-	699,875	(827,272)	(142,807)	18,000	(252,204)
Restricted fixed asset funds	-	1,296,153	(36,785)	142,807	-	1,402,175
	<u>-</u>	<u>2,144,601</u>	<u>(882,722)</u>	<u>-</u>	<u>18,000</u>	<u>1,279,879</u>

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	1,402,175	1,402,175
Current assets	129,908	215,624	-	345,532
Creditors due within one year	-	(168,828)	-	(168,828)
Provisions for liabilities and charges	-	(299,000)	-	(299,000)
	<u>129,908</u>	<u>(252,204)</u>	<u>1,402,175</u>	<u>1,279,879</u>

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	9 months ended 31 August 2013 £
Net incoming resources before revaluations	1,261,879
Returns on investments and servicing of finance	(126)
Net assets transferred on conversion	(1,105,809)
Depreciation of tangible fixed assets	36,785
Capital grants from DfE	(80,771)
Increase in debtors	(127,969)
Increase in creditors	168,828
Defined benefit pension scheme adjustments	13,000
NET CASH INFLOW FROM OPERATIONS	<u>165,817</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	9 months ended 31 August 2013 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	126
	<u>126</u>
	9 months ended 31 August 2013 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
Purchase of tangible fixed assets	(148,776)
Capital grants from DfE	80,771
	<u>(68,005)</u>
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	<u>(68,005)</u>

21. ANALYSIS OF CHANGES IN NET FUNDS

	1 November 2012 £	Cash flow £	Other non-cash changes £	31 August 2013 £
Cash at bank and in hand	-	217,563	-	217,563
NET FUNDS	<u>-</u>	<u>217,563</u>	<u>-</u>	<u>217,563</u>

22. MEMBERS' LIABILITY

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

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

23. CONVERSION TO AN ACADEMY TRUST

On 1 December 2012 St Nicholas of Tolentine 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 Nicholas of Tolentine Catholic Primary School 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 £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	1,277,000	1,277,000
- Other tangible fixed assets	-	-	13,184	13,184
Budget surplus on LA funds	119,625	-	-	119,625
LGPS pension surplus/(deficit)	-	(304,000)	-	(304,000)
Net assets	<u>119,625</u>	<u>(304,000)</u>	<u>1,290,184</u>	<u>1,105,809</u>

The above net assets include £119,625 that were transferred as cash

24. 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 Bath and North East Somerset 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.

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

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.

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

24. PENSION COMMITMENTS (continued)

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 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

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

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 12.7% for employers and 5.5-7.5% 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.

As described in note 23 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:

	9 months ended 31 August 2013 £
Present value of funded obligations	(458,000)
Fair value of scheme assets	159,000
	<hr/>
Net liability	(299,000)
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NOTES TO THE FINANCIAL STATEMENTS
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24 PENSION COMMITMENTS (continued)

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

	9 months ended 31 August 2013 £
Current service cost	(31,000)
Interest on obligation	(13,000)
Expected return on scheme assets	5,000
Total	<u>(39,000)</u>

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

	9 months ended 31 August 2013 £
Current service cost	31,000
Interest cost	13,000
Contributions by scheme participants	9,000
Actuarial Gains	(9,000)
Liability transferred on conversion	414,000
Closing defined benefit obligation	<u>458,000</u>

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

	9 months ended 31 August 2013 £
Expected return on assets	5,000
Actuarial gains and (losses)	9,000
Contributions by employer	26,000
Contributions by employees	9,000
Asset transferred on conversion	110,000
	<u>159,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £18,000

The Academy expects to contribute £39,000 to its Defined Benefit Pension Scheme in 2014

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

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

	2013
Equities	64.50 %
Bonds	19.50 %
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	4.50 %
Expected return on scheme assets at 31 August	5.89 %
Rate of increase in salaries	3.90 %
Rate of increase for pensions in payment / inflation	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

Amounts for the current period are as follows

Defined benefit pension schemes

	2013
	£
Defined benefit obligation	(458,000)
Scheme assets	159,000
Deficit	(299,000)
Experience adjustments on scheme liabilities	9,000
Experience adjustments on scheme assets	9,000

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25. 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	11,469

26. 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 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 current period.

27. CONTROLLING PARTY

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