

Registered number 8322707

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

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

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ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

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ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2013**

Governors

N Sullivan (foundation), Chair^{1 2}
P Clare (foundation), Responsible Officer & Vice chair
M Payne²
Rev S Wookey incumbent²
J Hamilton-Jones (parent)
P Knight (parent)
A Whitworth (staff)
D Faulkner (foundation)
E Royle (foundation)
K Seaward (foundation)¹
K Kraus (foundation)
P Silcock (foundation)
Y Webster (foundation)¹
B Townend-Jowitt (staff)
S Williams (parent)
F Heming, Head Teacher & Accounting Officer

¹ Finance committee

² Member

Company registered number

8322707

Principal and registered office

East Street, Moreton in Marsh, GL56 0LQ

Company secretary

T Maull

Head teacher

F Heming

Senior management team

F Heming, Head Teacher
M Jones, Deputy Head
E Bugden, KS1 Leader
B Townend, KS2 Leader
N Hazleton, SEND
J Gregory, Finance Officer

Independent auditors

Randall & Payne LLP, Chargrove House, Shurdington Road, Shurdington, Cheltenham, Gloucestershire,
GL51 4GA

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
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Advisers (continued)

Bankers

Lloyds Bank PLC, Moreton in Marsh, Gloucestershire, GL56 0AY

Solicitors

Lee Bolton Monier Williams, 1 The Sanctuary, Westminster, London, SW1 3JT

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Governors (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 David's Church of England Primary Academy (the academy) for the period ended 31 August 2013. The Governors 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 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 of St David's Church of England Primary Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as St David's Church of England Primary Academy.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on pages 1 and 2.

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. GOVERNORS' INDEMNITIES

Since the incorporation of the Charitable Company on 1st Jan 2013 the Governors (directors) have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. As explained in the Financial Statements the limit of this indemnity is £10,000,000.

d. PRINCIPAL ACTIVITIES

The principal activities are the operation of the Academy, as set out in the Articles of Association to advance, for the public benefit, education for students of different abilities between the ages of 4 and 11 years, offering a broad and balanced curriculum, managing and developing a school with a Church of England religious character.

e. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The Members of the Academy are The Diocese of Gloucester Education Trust and up to 2 persons who may be appointed by the Diocese of Gloucester Education Trust.

Foundation Governors The Members appoint a minimum of ten Governors at least nine of whom are nominated by the Parochial Church Council of Moreton in Marsh and one is the incumbent as an ex officio governor.

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GOVERNORS' REPORT (continued)
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Staff Governors The Members appoint up to three Staff Governors who are elected by staff at the Academy. If a staff post becomes vacant the normal process of election takes place after due notice is given to all staff through the school communication channels. The Head teacher is, for all purposes, an ex officio Governor.

Parent Governors Three Parent Governors are elected by parents of registered pupils at the Academy. Where a vacancy for a Parent Governor occurs the Governing Body ensures the normal process of election takes place after due notice is given to all parents through the school communication channels. Before confirming selection all governors are subject to an enhanced CRB check.

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

Following their appointment/election all new Governors receive an introduction to their role from the Chairman and are assigned a mentor. All new Governors are actively encouraged to take advantage of available courses so as to gain a better understanding of the role and responsibilities of being a School Governor. Additionally Governors with specific roles within the Governing Body are strongly encouraged to undertake specific training. The cost of such training will be reimbursed by the Academy.

g. ORGANISATIONAL STRUCTURE

Before conversion to academy status on 1 January 2013 St David's Church of England Primary was a Voluntary Aided Church of England school. The relative autonomy of a VA school meant that the former Governing Body was structured to undertake similar roles to those required of the governors of an academy. Consequently, whilst the extra responsibilities of the governing body of the Academy Trust have been recognised, its structure still reflects its successful predecessor.

At St David's the majority of the roles and responsibilities of the Governing Body have been delegated to a small number of committees. The full Governing Body has retained responsibility for the strategic management of the School, deciding and setting key aspects of the School, including strategic direction, annual budgets, senior staff appointments, policy changes etc.

Operational management is the responsibility of the Head teacher and staff. Members of the Senior Leadership Team (SLT), attend Governors' meetings as appropriate, in addition to the Head teacher.

School policies are developed by senior members of the School's staff, to reflect both the strategic direction agreed by the Governors and also statutory requirements. These policies are approved and adopted by the Governing Body, and implemented as procedures and systems by the SLT and other designated members of staff.

During the period since incorporation on 1st January 2013 until 31 August 2013 the full Governing Body met three times (2 General meetings and an AGM), the Finance Committee met twice, the Learning and Development Committee once, the Resources Committee once and the Ethos Committee three times.

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

h. RISK MANAGEMENT

As a recently converted academy St David's Church of England Primary has, since 1 January 2013, been undertaking a comprehensive assessment of possible risks to the future of the academy by establishing a Risk Register

The chief risks identified include

- Variations year on year in the numbers of students joining the School, affecting funding levels
- Deficit in the Local Authority Pension Scheme

This risk assessment is nearing completion and will be brought before the Finance and Audit Committee during the next academic year. Systems and procedures are being developed to manage and mitigate these risks.

i. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

St David's Church of England Academy formed a trading company with Bourton on the Water Primary Academy, known as the Fosseway Academy Collaboration Trust (FACT), Company Number 8517050, but this company is not currently active.

Objectives and Activities

a. OBJECTS AND AIMS

The principal object and activity of the Academy is to provide education for pupils between the ages of 4 and 11 in accordance with its Mission Statement. St David's 'aims to be a friendly, caring, Christian school, where all feel safe, are valued equally and are able to develop to their full potential. We will give our children a broad and fulfilling education, one that captures a love for learning and enables them to live as valued members of a global society.'

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

An initial objective was to ensure a smooth and seamless conversion of the School from Voluntary Aided to academy status. In doing this the Governing Body determined to maintain the Christian ethos, values, standards and achievements of the School, whilst continuing to work to fulfil the School's medium and longer term development plans as set out in the School Development Plan 2012/2013 and the objectives set by Ofsted in November 2012.

The main focus of the school development plan in 2012/13 was to improve the attainment in maths to ensure that at least 87% of pupils met age related expectations and between 30% and 40% exceed them. Ofsted also recognised that this was an area on which the school needed to focus.

The Y6 SATs results in July 2013 indicated that 89% of pupils met age related expectations and 44% exceeded them, therefore the target set was met.

c. PUBLIC BENEFIT

The Governors have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by St David's Church of England Primary is the maintenance and development of the high quality education provided by the School, to the children of Moreton in Marsh and the surrounding parishes. In doing this St David's not only offers a broadly-based academic education with a strong Christian ethos, but aims to educate the whole individual. A wide-range of extra-curricular activities, clubs, educational trips and visits, breakfast and after school clubs is offered.

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

Achievements and performance

Below is a summary of the Y6 SATs results at end of academic year 2012/2013

	READING	WRITING	Spelling, Grammar, Punctuation	MATHS
	L5 = 52%	L5 = 44%	L5 = 52%	L5+ = 44%
	L4+ = 85%	L4+ = 81%	L4+ = 74%	(incl' 2x L6) L4+ = 89%
Average point score	28 83	27 44	28 01	28 96

The school is showing an improving trend. Since 2010 reading has improved by 2%, writing has improved by 20% and maths has improved by 11%. Pupil progress, as indicated by the average point score, shows that the Y6 cohort made over 27 points in each area which demonstrates accelerated progress.

The table below illustrates the progress made in each year group during the academic year 2012-2013. The school is making accelerated progress throughout Key Stage 1 and most year groups in Key Stage 2 are also making rapid progress. Where pupils are not progressing rapidly enough, intervention groups are used to accelerate the progress within a six to eight week period.

		Progress measure	Reading	Writing	Maths
Year 6	Year on year	> 13 0 Good or better			
		< 12 0 concerned	12 8	13 1	13 1
Year 5	progress throughout	> 10 0 Good or better			
		< 9 0 concerned	11 8	9 3	11 6
Year 4	Key Stage 2	> 7 0 Good or better			
		< 6 0 concerned	8 2	8 3	7 9
Year 3		> 3 5 Good or better			
		< 3 0 concerned	3 1	2 7	3 0
Year 2	Year on year	> 9 0 Good or better			
	progress throughout	< 8 0 concerned	10 0	9 2	9 1
Year 1	Key Stage 1	> 4 5 Good or better			
		< 4 0 concerned	7 5	6 7	6 3

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 note of the financial statements.

b. KEY FINANCIAL PERFORMANCE INDICATORS

The main financial performance indicator is the level of reserves held at balance sheet date. This needs to be carefully managed to ensure funding is spent on pupils attending the Academy in that year and also to ensure that the amount carried forward is not excessive however allows the Academy a contingency in line with the Reserves Policy.

As funding is based on pupil numbers this is also a key financial performance indicator. The school is in demand and we anticipate current numbers will increase over the next year.

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GOVERNORS' REPORT (continued)
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Financial review

Most of the Academy's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period 1st January 2013 to 31st August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also successfully bid for Capital Maintenance funds from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period 1st Jan 2013 to 31st Aug 2013, total recurrent expenditure of £699,000 was covered by recurrent grant funding from the EFA together with other income resources. The excess of income over expenditure for the accounting period (excluding restricted fixed asset funds and LGPS pension deficit), was £31,000.

At 31st Aug 2013 the net book value of fixed assets was £2,763,000, with movements in tangible fixed assets shown in the financial statements. The assets were used for providing education and associated support services to the pupils of the Academy.

a. PRINCIPAL RISKS AND UNCERTAINTIES

Since its incorporation the Academy has undertaken work to develop and embed the system of internal control including financial, operational and risk management which is designated to protect the Academy's assets and reputation. A Responsible Officer has been appointed to undertake regular audit inspections and oversee a programme of risk review.

The Finance and Audit Committee undertakes a comprehensive review of the risks to which the Academy is exposed. A risk register is established which will be reviewed, at least annually, by the Finance and Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the Academy and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Outlined below is a description of the principal risk factors that may affect the Academy. Not all the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

- 1 Government funding
- 2 exposure to pension fund deficit
- 3 litigation against the Academy

With regards to the LGPS pension deficit, the trustees are placing reliance on the scheme's actuaries and investment fund managers to mitigate this risk by investing the scheme's assets appropriately to reduce the burden of future cashflows.

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

b. RESERVES POLICY

The governors 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 the reserves. The governors have determined that the appropriate level of free reserves should be 1% of the budget, approximately £12,000. 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 reserves is considered low/adequate. The academy intends to build up these reserves, with prudent budgeting, over the next few years. Projected deficits on the Local Government Pension Scheme that provide for our support staff, are charged to a specific restricted reserve. As at 31st Aug 2013 the deficit on this reserve amounted to £166,000. This does not present the academy with a current liquidity problem. Contributions to the pension scheme are being increased over the next few years in order to reduce the deficit and the situation will be monitored annually.

c. INVESTMENT POLICY

The Governing Body has delegated authority to the Finance Officer to utilise the term deposit arrangements with Lloyds TSB Bank in order that interest receipts are maximised in a low risk investment.

a. PLANS FOR FUTURE PERIODS

The Academy plans to build on the excellent results achieved in 2013. Future aims are set out in the School Development Plan 2013/2014, the key objective of which are

- Target 1 To develop a curriculum which fosters a love of learning and promotes high attainment and progress for all children
- The main focus of this target is to raise the levels of attainment in reading, writing and maths and ensure good progress is made by all pupils. There is a strong focus upon ensuring that children in receipt of the pupil premium and other vulnerable pupils make good progress.
 - o Training has been organised with St David's School working jointly with other schools in the cluster to share resources and expertise. In addition to this we shall use the expertise of Tim Ryland to enhance ICT provision across the school.
- Target 2 To ensure our school promotes an environment in which children and adults in the community can flourish
- The major focus of target 2 is to encourage children to enjoy active, healthy lifestyles which supports their physical and mental well-being. Alongside this, we aim to further engage with vulnerable families to support the adults as they support their children.
 - o The school is reviewing the 'Thrive' program to ascertain how well this may support our vulnerable families. The school SENDCo and Parent support Advisor are also sharing their expertise with the staff, children and parents/carers to further support academic and social/emotional learning.
- Target 3 To ensure the accommodation and physical resources available to support children's learning and development are of the highest standard within the constraints of the budget
- In target 3 we aim to improve the accessibility of the school for disabled pupils, staff and visitors and generally improve the school grounds to promote active, enquiry based learning. We are also investigating the feasibility of building a school kitchen to improve health outcomes for children.
 - o We have consulted with specialist staff regarding accessibility in school and improvements are already underway.

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

FUNDS HELD AS CUSTODIAN

The Academy does not hold any funds as custodian Trustee on behalf of others

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

The auditors, Randall & Payne LLP, have indicated their willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

This report was approved by order of the board of trustees on 12 December 2013 and signed on its behalf by



.....
N Sullivan
Chair

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Governors' report and in the Governors' 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:

Governor	Meetings attended	Out of a possible
N Sullivan (foundation), Chair	3	3
P Clare (foundation), Responsible Officer & Vice chair	1	3
M Payne	2	2
Rev S Wookey incumbent	3	3
J Hamilton-Jones (parent)	2	3
P Knight (parent)	1	3
A Whitworth (staff)	2	3
D Faulkner (foundation)	2	3
E Royle (foundation)	3	3
K Seaward (foundation)	2	3
K Kraus (foundation)	2	3
P Silcock (foundation)	3	3
Y Webster (foundation)	3	3
B Townsend-Jowitt (staff)	3	3
S Williams (parent)	2	2
F Heming, Head Teacher & Accounting Officer	3	3

The **Finance and General Purposes Committee** is a sub-committee of the main board of trustees.

Attendance at meetings in the period was as follows:

	Meetings attended	Out of a possible
K Seaward (foundation)	2	2
N Sullivan (foundation), Chair	2	2
Y Webster (foundation)	2	2

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNANCE STATEMENT (continued)

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 David's Church of England Primary Academy for the period 1 January 2013 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 1 January 2013 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 General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The academy has not yet appointed a Responsible Officer (RO) and will seek to make an appointment in the near future.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

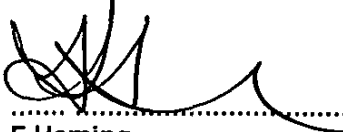
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

- 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 and General Purposes 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 12 December 2013 and signed on their behalf, by


.....
N Sullivan
Chair of Trustees


.....
F Heming
Accounting Officer

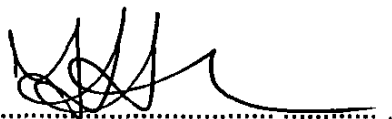
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



F Heming
Accounting Officer

Date 12 December 2013

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Trustees (who act as governors of St David's Church of England Primary Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors 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 Governors 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 Governors 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 Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 12 December 2013 and signed on its behalf by



N Sullivan
Chair of Trustees

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST DAVID'S CHURCH OF ENGLAND
PRIMARY ACADEMY**

We have audited the financial statements of St David's Church of England Primary Academy 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 GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, the Governors (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 Governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the 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 Governors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST DAVID'S CHURCH OF ENGLAND
PRIMARY ACADEMY**

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 Governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Robert Stokes FCCA (Senior statutory auditor)

for and on behalf of

Randall & Payne LLP

Chartered Accountants and Registered Auditors

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

Date 20 December 2013

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 14 May 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 David's Church of England Primary Academy during the period 1 January 2013 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 David's Church of England Primary Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St David's Church of England Primary Academy and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St David's Church of England Primary Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY'S
ACCOUNTING OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of St David's Church of England Primary Academy's funding agreement with the Secretary of State for Education dated 19 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 1 January 2013 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

The work undertaken during the audit included

- Consideration and corroboration of the evidence supporting the accounting officers statement on regularity, propriety and compliance,

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO ST DAVID'S
CHURCH OF ENGLAND PRIMARY ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity,
- Discussions with and representations from the Accounting Officer and other Key management personnel,
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate

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 January 2013 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



Randall & Payne LLP

Chartered Accountants and Registered Auditors

Chargrove House
Shurdington Road
Shurdington
Cheltenham
Gloucestershire
GL51 4GA

20 December 2013

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
(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 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	5	(140)	2,787	2,652
Activities for generating funds	3,4	27	11	-	38
Incoming resources from charitable activities	5	-	667	55	722
Other incoming resources	6	-	16	-	16
TOTAL INCOMING RESOURCES		32	554	2,842	3,428
RESOURCES EXPENDED					
Costs of generating funds					
Fundraising expenses and other costs	4	15	-	-	15
Charitable activities		-	676	78	754
Governance costs	8	-	8	-	8
TOTAL RESOURCES EXPENDED	11	15	684	78	777
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		17	(130)	2,764	2,651
Transfers between Funds	22	-	(8)	8	-
NET INCOME FOR THE YEAR		17	(138)	2,772	2,651
Actuarial gains and losses on defined benefit pension schemes		-	(14)	-	(14)
NET MOVEMENT IN FUNDS FOR THE YEAR		17	(152)	2,772	2,637
<i>Total funds at 1 January 2013</i>		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		17	(152)	2,772	2,637

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

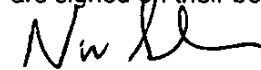
The notes on pages 22 to 41 form part of these financial statements

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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REGISTERED NUMBER. 8322707

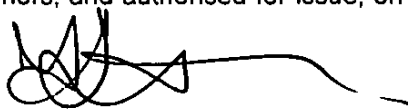
BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£000	2013 £000
FIXED ASSETS			
Tangible assets	19		2,763
CURRENT ASSETS			
Debtors	20	63	
Cash at bank		133	
		<u>196</u>	
CREDITORS amounts falling due within one year	21	<u>(156)</u>	
NET CURRENT ASSETS			<u>40</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,803</u>
Defined benefit pension scheme liability	27		<u>(166)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>2,637</u></u>
FUNDS OF THE ACADEMY			
Restricted funds			
Restricted funds	22	14	
Restricted fixed asset funds	22	2,772	
		<u>2,786</u>	
Restricted funds excluding pension liability		2,786	
Pension reserve		<u>(166)</u>	
Total restricted funds			2,620
Unrestricted funds	22		<u>17</u>
TOTAL FUNDS			<u><u>2,637</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 12 December 2013 and are signed on their behalf, by



N Sullivan
Chair of Trustees



F Heming
Accounting Officer

The notes on pages 22 to 41 form part of these financial statements

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013**

	Note	Period ended 31 August 2013 £000
Net cash flow from operating activities	24	95
Capital expenditure and financial investment		34
Cash transferred on conversion to an academy trust	26	4
INCREASE IN CASH IN THE PERIOD		133

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**

	Period ended 31 August 2013 £000
Increase in cash in the period	133
MOVEMENT IN NET FUNDS IN THE PERIOD	133
NET FUNDS AT 31 AUGUST 2013	133

The notes on pages 22 to 41 form part of these financial statements

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**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 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 Governors.

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.

1.3 Incoming resources

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

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

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

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

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

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

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Going concern

The Governors 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 Governors make this assessment in respect of a period of one year from the date of approval of the financial statements. The academy has a funding agreement in place with the Secretary of State for Education which is for 7 years, with a 7 year notice period.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised. Land and buildings have been included at depreciated replacement cost based on the valuation dated 7 August 2013 by Allan Gilbert MRICS from Mouchel, who were commissioned by the EFA.

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.

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

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:

L/Term Leasehold buildings and building modifications	-	2% straight line
Plant and machinery	-	20% straight line
Furniture and equipment	-	10% straight line
Computer equipment	-	33% 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 27, 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 DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**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 ENIL consideration and has been accounted for under the acquisition accounting method

The assets and liabilities transferred on conversion from St David's Church of England Primary School to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors 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 David's Church of England Primary Academy. 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 26

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Donations	-	31	31
Income from predecessor school	5	2,616	2,621
	<hr/>	<hr/>	<hr/>
Voluntary income	5	2,647	2,652
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Before and After School Club Income	19	-	19
Lettings Income	5	-	5
Swimming Income	3	-	3
PSA Recharge Income	-	6	6
Trip Income	-	5	5
	<hr/>	<hr/>	<hr/>
	27	11	38
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

4. TRADING ACTIVITIES

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Fundraising trading expenses			
Fundraising trading expenses - wages and salaries	15	-	15
Net expenditure from trading activities	15	-	15

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Educational operations	-	722	722

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
DfE/EFA grants			
General Annual Grant (GAG)	-	547	547
Other DfE/EFA grants	-	87	87
Special educational needs	-	33	33
Capital grants	-	55	55
	-	722	722

6. OTHER INCOMING RESOURCES

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Staff absence insurance income	-	16	16

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Educational operations direct	-	645	645
Educational operations allocated	-	109	109
	<u>-</u>	<u>754</u>	<u>754</u>

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2013 £000	Depreciation 2013 £000	Other costs 2013 £000	Total 2013 £000
Educational operations direct	529	28	88	645
Educational operations allocated	-	-	109	109
	<u>529</u>	<u>28</u>	<u>197</u>	<u>754</u>

8. GOVERNANCE COSTS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Governance Auditors' remuneration	-	4	4
Governance Auditors' non audit costs	-	1	1
Other professional fees	-	3	3
	<u>-</u>	<u>8</u>	<u>8</u>

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

9. DIRECT COSTS

	Basis of Allocation	Educational operations direct £000	Educational operations allocated £000	Total 2013 £000
Educational supplies	Direct	46	-	46
Staff development	Direct	3	-	3
Other costs	Floor area	-	21	21
Insurance	Floor area	-	25	25
Maintenance of premises and equipment	Floor area	-	62	62
Rent and rates	Floor area	-	1	1
Catering costs	Direct	6	-	6
Legal and professional fees	Direct	4	-	4
Wages and salaries	Direct	403	-	403
National insurance	Direct	26	-	26
Pension cost	Direct	62	-	62
Depreciation	Floor area	27	-	27
		577	109	686

10. SUPPORT COSTS

	Basis of Allocation	Educational operations direct £000	Total 2013 £000
Pension net cost	Direct	4	4
Staff development	Direct	1	1
Other costs	Floor area	17	17
Office overheads	Floor area	1	1
Legal and professional fees	Direct	6	6
Wages and salaries	Direct	36	36
National insurance	Direct	1	1
Pension cost	Direct	1	1
Depreciation	Floor area	1	1
		68	68

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

11. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £000	Depreciation 2013 £000	Other costs 2013 £000	Total 2013 £000
Fundraising expenses	15	-	-	15
Costs of generating funds	15	-	-	15
Educational operations direct	491	27	59	577
Educational operations allocated	-	-	109	109
Support costs - Educational operations direct	38	1	29	68
Charitable activities	529	28	197	754
Governance	-	-	8	8
	544	28	205	777

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2013 £000	Support costs 2013 £000	Total 2013 £000
Educational operations direct	577	68	645
Educational operations allocated	109	-	109
Total	686	68	754

13. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging

	Period ended 31 August 2013 £000
Depreciation of tangible fixed assets - owned by the charity	28

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

14. AUDITORS' REMUNERATION

	Period ended 31 August 2013 £000
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	4
Fees payable to the academy's auditor and its associates in respect of All other non-audit services not included above	1
	<u>5</u>

15. STAFF COSTS

Staff costs were as follows

	Period ended 31 August 2013 £000
Wages and salaries	455
Social security costs	28
Other pension costs (Note 27)	63
	<u>546</u>
Supply teacher costs	10
	<u>556</u>

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

	Period ended 31 August 2013 No.
Teaching staff	11.36
Support staff	13.62
Management	2.00
	<u>26.98</u>

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

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

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

16. GOVERNORS' REMUNERATION AND EXPENSES

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	Period ended 31 August 2013 £000
F Hemming	40-45
B Townsend-Jowitt	25-30
A Whitworth	5-10

During the period, no Governors received any reimbursement of expenses.

17. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2013 was £1,330.

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

18. OTHER FINANCE INCOME

	Period ended 31 August 2013 £000
Expected return on pension scheme assets	3
Interest on pension scheme liabilities	(7)
	<u>(4)</u>

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

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

19. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £000	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000
Cost				
Additions	2,743	4	23	21
At 31 August 2013	2,743	4	23	21
Depreciation				
Charge for the period	25	1	1	1
At 31 August 2013	25	1	1	1
Net book value				
At 31 August 2013	2,718	3	22	20

	Total £000
Cost	
Additions	2,791
At 31 August 2013	2,791
Depreciation	
Charge for the period	28
At 31 August 2013	28
Net book value	
At 31 August 2013	2,763

Included in land and buildings is leasehold land at valuation of £849,000, (cost £NIL) which is not depreciated

20 DEBTORS

	2013 £000
Trade debtors	6
Other debtors	10
Prepayments and accrued income	47
	63

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

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

21. CREDITORS:

Amounts falling due within one year

	2013 £000
Other taxation and social security	14
Other creditors	59
Accruals and deferred income	83
	<u>156</u>
	£000
Deferred income	
Resources deferred during the year	<u>9</u>

Deferred income related to the recharge of the PSA to other local schools which was invoiced until 31 March 2014

22. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General Funds - all funds	-	32	(15)	-	-	17
Restricted funds						
General Annual Grant (GAG)	-	549	(535)	(8)	-	6
Other DfE/EFA/LA Grants	-	120	(120)	-	-	-
Activities for Generating Funds	-	11	(11)	-	-	-
Other income	-	16	(16)	-	-	-
Lord Dulverton	-	8	-	-	-	8
Budgens and FOSDA re sandpit	-	2	(2)	-	-	-
Marathon Sponsorship	-	2	(2)	-	-	-
Pension reserve	-	(154)	2	-	(14)	(166)
	<u>-</u>	<u>554</u>	<u>(684)</u>	<u>(8)</u>	<u>(14)</u>	<u>(152)</u>

ST DAVID'S CHURCH OF ENGLAND PRIMARY ACADEMY
(A company limited by guarantee)

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

22 STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Transferred from predecessor school	-	2,770	(29)	22	-	2,763
Capital Maintenance Grant	-	48	(49)	1	-	-
Devolved Formula Capital Grant	-	7	-	(7)	-	-
Lord Dulverton	-	8	-	(8)	-	-
Gloucester Diocese	-	9	-	-	-	9
	-	2,842	(78)	8	-	2,772
Total restricted funds	-	3,396	(762)	-	(14)	2,620
Total of funds	-	3,428	(777)	-	(14)	2,637

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

The restricted general fund includes grants receivable from the EFA/DfE, Local Authority and other government grants to be used for the primary educational activity of the academy. A Capital Maintenance Grant was received for window replacements, along with the annual Devolved Formula Capital grant. Funds were also received from Lord Dulverton, to be spent on laptops, a virtual learning platform and music equipment. The Gloucester Diocese also gifted funds to be spent on capital works.

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 £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/(Losses) £000	Carried Forward £000
General funds	-	32	(15)	-	-	17
Restricted funds	-	554	(684)	(8)	(14)	(152)
Restricted fixed asset funds	-	2,842	(78)	8	-	2,772
	-	3,428	(777)	-	(14)	2,637

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23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000
Tangible fixed assets	-	-	2,763	2,763
Current assets	17	169	9	195
Creditors due within one year	-	(155)	-	(155)
Provisions for liabilities and charges	-	(166)	-	(166)
	<u>17</u>	<u>(152)</u>	<u>2,772</u>	<u>2,637</u>

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	Period ended 31 August 2013 £000
Net incoming resources before revaluations	2,651
Transferred from predecessor school	(2,621)
Depreciation of tangible fixed assets	28
Capital grants from DfE	(55)
Increase in debtors	(62)
Increase in creditors	156
Cash on conversion	(4)
FRS 17 adjustments	2
Net cash inflow from operations	<u>95</u>
	<u>Period ended 31 August 2013 £000</u>
Capital expenditure and financial investment	
Purchase of tangible fixed assets	(2,791)
Capital grants from DfE	55
Assets transferred from predecessor school	2,770
Net cash inflow capital expenditure	<u>34</u>

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25 ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2013 £000	Cash flow £000	Other non-cash changes £000	31 August 2013 £000
Cash at bank and in hand	-	133	-	133
Net funds	-	133	-	133

26. CONVERSION TO AN ACADEMY TRUST

On 1 January 2013 St Davd's CofE Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St David's Church of England Primary Academy from Gloucestershire County 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 £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	2,743	2,743
- Other tangible fixed assets	-	-	27	27
Other assets	4	-	-	4
LGPS pension surplus/(deficit)	-	(154)	-	(154)
Net assets/(liabilities)	4	(154)	2,770	2,620

The above net assets include £4,357 that were transferred as cash

The land and buildings were leased to the academy over a 125 year lease from the diocese

27. 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 Gloucestershire County Council. Both are defined benefit schemes.

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27. PENSION COMMITMENTS (continued)

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 £58,747 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 earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return

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27. PENSION COMMITMENTS (continued)

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 £28,000 and employees' contributions totalled £7,000. The agreed contribution rates for future years are 21.2% for employers and 6% for employees.

As described in note 26 the LGPS obligation relates to the employees of the academy, who were the

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27. PENSION COMMITMENTS (continued)

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

	Expected return at 31 August 2013 %	Fair value at 31 August 2013 £000
Equities	6.60	75
Bonds	3.80	21
Property	4.70	6
Cash	3.60	2
Total market value of assets		104
Present value of scheme liabilities		(270)
(Deficit)/surplus in the scheme		(166)

The amounts recognised in the Balance sheet are as follows

	Period ended 31 August 2013 £000
Present value of funded obligations	(270)
Fair value of scheme assets	104
Net liability	(166)

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

	Period ended 31 August 2013 £000
Current service cost	(22)
Interest on obligation	(7)
Expected return on scheme assets	3
Total	(26)
Actual return on scheme assets	8

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27. PENSION COMMITMENTS (continued)

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

	Period ended 31 August 2013 £000
Current service cost	22
Interest cost	7
Contributions by scheme participants	7
Actuarial Losses	19
Liabilities assumed in a business combination	215
	<hr/>
Closing defined benefit obligation	270
	<hr/>

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

	Period ended 31 August 2013 £000
Expected return on assets	3
Actuarial gains and (losses)	5
Contributions by employer	28
Contributions by employees	7
Assets acquired in a business combination	61
	<hr/>
	104
	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £14,000 loss

The academy expects to contribute £36,000 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	72.00 %
Bonds	20.00 %
Property	6.00 %
Cash	2.00 %

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	5.90 %
Rate of increase in salaries	4.60 %
Rate of increase for pensions in payment / inflation	2.80 %
Inflation assumption (CPI)	2.40 %

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27 PENSION COMMITMENTS (continued)

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	21.7
Females	23.6
Retiring in 20 years	
Males	23.5
Females	25.8

Amounts for the current period are as follows

Defined benefit pension schemes

	2013
	£000
Defined benefit obligation	(270)
Scheme assets	104
Deficit	(166)
Experience adjustments on scheme liabilities	(19)
Experience adjustments on scheme assets	5

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

28. RELATED PARTY TRANSACTIONS

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

	Period ended 31 August 2013 £
Mr Whitworth (plumbing services)	852
Mr Whitworth is the husband of a Governor	